

December 30, 2015

To: Ken Suer, Chair
Financial Planning Committee of City Council

From: Wayne S. Davis, City Manager *WSD*

Subject: Financial Planning Committee Meeting January 4, 2016

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, January 4 at 4:30 p.m. in City Hall. The agenda for this meeting is as follows:

1. Update on Gateway Redevelopment Area (GRA) Underwriting and Financial Planning Services RFP – Staff will be present to discuss the results of the RFP with the Committee. Please see the attached report from Michelle Greis, Finance Director.
2. Update on Recommended Appointment to the Board of Tax Review – The Committee will discuss a recommendation for an appointment to the Board of Tax Review due to the passage of Substitute House Bill (H.B.) 5 and § 44.1.18 of the new Municipal Income Tax Code. Kelly Beach will be prepared to discuss these changes and answer any questions the Committee may have.
3. Other Business – The purpose of this agenda item is to provide an opportunity to discuss any issue or ask questions that may be on your mind.

Also attached are the minutes from the December 7, 2015 meeting of your Committee for review and approval at Monday's meeting.

Should you have questions or concerns regarding the above agenda items, or have additional items to be discussed at the meeting, please do not hesitate to contact me.

c: Financial Planning Committee Members (2)
Mayor and City Council Members (3)
Michelle Greis, Finance Director
Kelly Beach, Assistant Finance Director/Tax Commissioner
Connie Gaylor, Administrative Coordinator
File



AGENDA

**January 4, 2016
Montgomery City Hall
10101 Montgomery Road**

4:30 P.M.

1. Call To Order
2. Guests and Residents
3. Communications
4. New Business
 - a. Update on Gateway Redevelopment Area (GRA) Underwriting and Financial Planning Services RFP
 - b. Update on Recommended Appointment to the Board of Tax Review
5. Approval of Minutes: December 7, 2015
6. Other Business
7. Adjournment

December 18, 2015

TO: Wayne S. Davis, City Manager

FROM: Michelle Greis, Finance Director

SUBJECT: Underwriter Selection for Gateway Redevelopment Area

INTRODUCTION

Discuss Underwriter selection for the Gateway Redevelopment Area Project and allow the City Manager to issue a Notice of Award to the selected firm.

BACKGROUND

On November 9, 2015, the City in cooperation with the CIC invited qualified firms to submit a written proposal to serve as Underwriter for the Gateway Redevelopment Area Project (GRA). The Underwriter will work with the City's internal team to develop a financing plan for the project and will provide ongoing market assessment. The City received proposals from five firms on November 30, 2015. The internal team reviewed the proposals, called references and interviewed three of the five firms. After much discussion, the internal team is recommending the City hire The Huntington Investment Company as Underwriter for the GRA project.

The Underwriter is not paid until debt is issued, therefore the City will not have an immediate financial impact.

STAFF RECOMMENDATION

It is recommended that City Council authorize the City Manager to select The Huntington Investment Company by means of Notice of Award.

December 16, 2015

TO: Ken Suer, Financial Planning Council Committee Chair
FROM: DeAnna Gross, Volunteer Coordinator 
SUBJECT: Status on Candidates for Appointments to the Board & Commission

Below is a status report on applications for vacancies, which resulted from expiring terms on the boards and commissions overseen by the Financial Planning Committee of City Council.

Board of Tax	Term	Re-appointment Status
Ed Steinebrey	1/31/16	Seeking re-appointment

Cc: Financial Planning Committee Members (3)
Mayor and City Council (4)
Wayne Davis, City Manager
Department Heads
File

These minutes are a draft of the proposed minutes from the Financial Planning Committee of the City Council meeting. They do not represent the official record of proceedings until formally adopted by the Financial Planning Committee of City Council. Formal adoption is noted by signature of the Chair within the minutes.

City of Montgomery
Financial Planning Committee Meeting
December 7, 2015

Present

Michelle Greis, Finance Director
Wayne Davis, City Manager
Kelly Beach, Assistant Finance Director/Tax Commissioner

Council Committee Members Present

Craig Margolis, Acting Chair
Ken Suer
Mike Cappel

The Financial Planning Committee of Council meeting was called to order at 4:00 p.m. by Acting Chairman Craig Margolis.

2015 November Income Tax Report

Ms. Beach presented a report on the November 2015 Income Tax collections. She explained that for the month of November 2015, the City's total income tax receipts were \$661,699 which is an increase of \$58,492 or 9.6% compared to the actual amount collected in November 2014. Ms. Beach further explained that year-to-date actual income tax receipts show an increase of 5.3% over the year-to-date receipts received through November 2015 compared to the same period in 2014. In addition, year-to-date revenues exceeded estimated revenues by 4.1%.

Ms. Beach explained the category breakdown of tax collections for November 2015 shows that the November withholding collections increased by approximately 5.8% compared to the November 2014.

Ms. Beach stated that net profits from businesses located within or doing business within Montgomery were \$22,469. This is an increase of 132.5% compared to November 2014 collections. Ms. Beach stated that half of the increase is attributable to a specific business whose tax liability was \$6,438 for tax year 2014 as compared to a loss in the previous year.

Investment Policy

Ms. Greis explained the City's investment policy has not been revised in several years. The proposed revisions will make the City's policy consistent with Ohio Revised Code (ORC) section 135.14. She indicated there are two notable changes in Section 7.0 Authorized Financial Dealers and Institutions and Section 8.0 E Authorized and Suitable Investments. The wording in Section 7.0 is updated to include certificate of deposit investment pools such as STAROhio and Certificate of Deposit Account Registry Service (CDARS). Both of these programs purchase certificates of deposit on behalf of the City from various banks and hold the investments in an account in the City's name and the ORC allows investments in certificates of deposit without a depository agreement. The changes to Section 8.0 E just updates the wording to match the Ohio Revised Code.

Supplemental Appropriations to the 2015 Budget

Ms. Greis explained that she will be requesting at the December Work Session that City Council approve an Ordinance that will amend appropriations for current expenses and other expenditures during the fiscal year ending December 31, 2015. She further explained that the aggregate effect of the supplemental appropriations is to increase total appropriations by \$2,005,500. She also explained that most of the increase is the result of transfers to the Downtown Improvement Fund. Furthermore, there are reductions in appropriations as the result of actual revenues that were less than estimated. Under Ohio Revised Code, appropriations should be reduced in these funds. She provided the following brief recap of the proposed appropriations.

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Fund	Net Change	Reason
General Fund	\$2,005,500	2 Million to be transferred out to Downtown Improvement and 5,500 to contractual services for Civil Service Commission to cover cost of testing for new employees
Memorial Fund	\$11,000	City received a donation in 2015 for trees
Law Enforcement	\$10,000	Payment to County for seized items
Environmental Impact Funds (227,229,230)	(\$21,000)	Reduce appropriations to total amount available

Mr. Suer made a motion to add the Supplemental Appropriation to the December 16, 2015 Work Session Agenda for consideration that evening. Mr. Margolis seconded. The Committee unanimously agreed.

BOARD OF TAX REVIEW MEMBERS

Ms. Beach explained to the Committee that the passage of Substitute House Bill (H.B.) 5 and § 44.1.18 of the new Municipal Income Tax Code restructures the make-up of the Board of Tax Review. The new code requires that two members of the Board be appointed by City Council with a term of two years, that run concurrently, and one member of the Board be appointed by the City Manager with no term expiration. The new code also allows City Council to appoint an alternate member who can serve as a result of a conflict, illness or absence. Ms. Beach stated that she provided this information to Terry Donnellon, Law Director, who has reviewed it and has drafted legislation that will amend the current code to mirror the new code as presented in HB5. This legislation will be brought to City Council at the December Work Session meeting.

OTHER BUSINESS

Mr. Davis discussed with the Committee the proposed Property Assessed Clean Energy (PACE) program that was originally presented at the April 6, 2015 Financial Planning Committee meeting. Mr. Davis reminded the Committee that the PACE program was created by the Greater Cincinnati Energy Alliance to initiate an economic development tool for the City utilizing an Energy Special Improvement District. This program also identified as a PACE financing tool, will allow the City to assess the cost of certain energy efficiency improvements against private property within the designated district. These improvements would be funded as a special assessment rather than requiring the property owner to borrow funds from a commercial bank. The benefit to the property owner is that they have a new source of funding and it is not carried as debt on their books. The property owner is also entitled to take a deduction for the entire payment which would include principal and interest costs. Mr. Davis indicated that the City of Blue Ash has established the same district and is currently working with a contractor. Staff is communicating with their counterparts at Blue Ash to track the development and progress of the program and plans to follow up with City Council in January of 2016 with recommendations.

MINUTES

Mr. Suer moved to adopt the minutes of the September 15, 2015 meeting of the Financial Planning Committee. Mr. Margolis seconded. The Committee unanimously agreed.

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Adjournment

Mr. Suer moved to adjourn. Mr. Margolis seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 4:55 PM.

Chair

DRAFT