

September 1, 2017

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

From: Brian K. Riblet, Interim City Manager 

Subject: Financial Planning Committee Meeting September 5, 2017

As a reminder, the Financial Planning Committee is scheduled to meet on Tuesday, September 5 at 5:30 p.m. in City Hall. The agenda for this meeting is as follows:

1. 2017 August Earnings Tax Report – Katie Smiddy, Finance Director, will be present to discuss the August Income Tax Report at the meeting for the Committee's review and feedback. Staff will be prepared to answer any questions on this report at Tuesday's meeting.
2. Review of the 2018 Operating and Capital Budget – Katie Smiddy, Finance Director, will be present to discuss the proposed 2018 Operating and Capital Budget and the Five-Year Forecast. The Budget has been prepared by staff for the initial review of the Financial Planning Committee. The proposed budget continues with the current level of services.
3. Resolution Accepting Amounts and Rates - Katie Smiddy, Finance Director, will be present to discuss this Resolution. In accordance with ORC section 5705.34, each taxing authority must pass a resolution to accept and authorize the necessary tax levies and to certify the levies to the County Auditor. The County will send out the Resolution after the Budget Commission meets on September 13th after which time the amounts will be made available to the City. This Resolution is normally passed by City Council at its October Business meeting.
4. 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 August 7, 2017 meeting of your Committee for review and approval at Tuesday's meeting.

Should you have questions or concerns regarding the above agenda item, 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 (4)
Katie Smiddy, Finance Director
Connie Gaylor, Administrative Coordinator
File



AGENDA

**September 5, 2017
Montgomery City Hall
10101 Montgomery Road**

5:30 P.M.

- 1. Call to Order**
- 2. Guests and Residents**
- 3. Communications**
- 4. New Business**
 - a. 2017 August Earnings Tax Report
 - b. Review of 2018 Operating and Capital Budget
 - c. Resolution Accepting Amounts and Rates
- 5. Approval of Minutes: August 7, 2017**
- 6. Other Business**
- 7. Adjournment**

September 1, 2017

To: Brian Riblet, Interim City Manager
From: Katie Smiddy, Finance Director *KMS*
Subject: 2018 Annual Operating Budget

Introduction

It is necessary for City Council to consider passage of the annual Appropriation Ordinance for 2018.

Financial Impact

Total City expenditures, which include the departmental budgets, debt service and transfers as contained in the 2018 Operating and Capital Budget, are \$21,362,914.

Background

The Annual Operating Budget is prepared and submitted annually to the Montgomery City Council in accordance with Article IV, Section 4.02 (3) of the Montgomery City Charter.

The budget is the primary fiscal planning tool for moving the City forward toward accomplishing its mission-Providing superior services and engaging with you to enhance our community. It also provides the resources to support the City's goal of becoming a higher performing organization.

Briefly, this budget accomplishes three key objectives:

- Continues stewardship of City resources in a prudent manner while delivering superior services;
- Follows priorities from the 2018 strategic plan for new initiatives;
- Provides additional resources for the City's capital assets; specifically, technology improvements, street/sidewalk/curb infrastructure maintenance and enhancements to the parks.

Staff Recommendation

It is recommended that City Council authorize and direct the preparation of legislation adopting the 2018 Annual Operating and Capital Budget.

Attachment to 2018 Appropriation Ordinance

General Fund		
101 Police Department	Personnel	3,142,769
	Nonpersonnel	414,367
	Total	\$3,557,136
106 Disaster Services	Personnel	0
	Nonpersonnel	9,300
	Total	\$9,300
201 Public Health and Welfare	Personnel	52,440
	Nonpersonnel	0
	Total	\$52,440
301 Recreation	Personnel	234,073
	Nonpersonnel	98,470
	Total	\$332,543
303 City Parks	Personnel	327,302
	Nonpersonnel	213,500
	Total	\$540,802
317 Swaim and Terwilliger Lodges	Personnel	0
	Nonpersonnel	37,200
	Total	\$37,200
321 Special Events	Personnel	0
	Nonpersonnel	103,516
	Total	\$103,516
405 Landmarks Commission	Personnel	0
	Nonpersonnel	15,250
	Total	\$15,250
406 City Beautiful	Personnel	0
	Nonpersonnel	127,448
	Total	\$127,448
407 Development	Personnel	381,905
	Nonpersonnel	421,200
	Total	\$803,105
408 Planning Commission	Personnel	0
	Nonpersonnel	11,900
	Total	\$11,900
409 Historical Building Operations	Personnel	0
	Nonpersonnel	56,450
	Total	\$56,450
701 City Administration	Personnel	467,924
	Nonpersonnel	25,200
	Total	\$493,124
702 Finance Department	Personnel	575,574
	Nonpersonnel	109,725

	Total	\$685,299
703 Legal Administration	Personnel	0
	Nonpersonnel	230,500
	Total	\$230,500
705 City Council	Personnel	17,834
	Nonpersonnel	4,050
	Total	\$21,884
707 Mayor's Court	Personnel	88,353
	Nonpersonnel	76,841
	Total	\$165,194
708 Civil Service Commission	Personnel	0
	Nonpersonnel	4,150
	Total	\$4,150
709 Public Works Administration	Personnel	549,711
	Nonpersonnel	138,700
	Total	\$688,411
712 Community and Information Services	Personnel	488,796
	Nonpersonnel	148,120
	Total	\$636,916
715 General Government	Personnel	10,000
	Nonpersonnel	1,728,445
	Total	\$1,738,445
Total General Fund Transfers/Cash Advances Out		748,100
Total General Fund	Personnel	6,336,681
	Nonpersonnel	4,722,432
	Total	11,059,113

Special Revenue Funds

219 Community Oriented Policing Solutions	Personnel	177,963
	Nonpersonnel	3,600
	Total	\$181,563
223 Fire Department	Personnel	2,303,052
	Nonpersonnel	429,058
	Total	\$2,732,110
261 Street Maintenance and Repair	Personnel	755,475
	Nonpersonnel	303,256
	Total	\$1,058,731
209 Memorial Fund	Personnel	0
	Nonpersonnel	4,000
	Total	\$4,000
210 Parks & Recreation	Personnel	0
	Nonpersonnel	500
	Total	\$500
215 Law Enforcement	Personnel	0
	Nonpersonnel	10,875

	Total	\$10,875
216 Drug Enforcement	Personnel	0
	Nonpersonnel	400
	Total	\$400
217 DUI Enforcement and Education	Personnel	0
	Nonpersonnel	1,000
	Total	\$1,000
218 Mayor's Court Technology Fund	Personnel	0
	Nonpersonnel	14,315
	Total	\$14,315
220 Law Enforcement Assistance Fund	Personnel	0
	Nonpersonnel	1,600
	Total	\$1,600
227 Environmental Impact Area I	Personnel	0
	Nonpersonnel	5,000
	Total	\$5,000
228 Environmental Impact Area II	Personnel	0
	Nonpersonnel	30,000
	Total	\$30,000
229 Environmental Impact Area III	Personnel	0
	Nonpersonnel	5,000
	Total	\$5,000
230 Environmental Impact Area IV	Personnel	0
	Nonpersonnel	5,000
	Total	\$5,000
265 State Highway Fund	Personnel	0
	Nonpersonnel	34,000
	Total	\$34,000
266 Permissive MVL Fund	Personnel	0
	Nonpersonnel	79,000
	Total	\$79,000
275 Municipal Pool	Personnel	0
	Nonpersonnel	269,263
	Total	\$269,263
485 Arts and Amenities	Personnel	0
	Nonpersonnel	95,300
	Total	\$95,300
Total Special Revenue Funds	Personnel	3,236,490
	Nonpersonnel	1,291,167
	Total	4,527,657

Debt Service Funds

322 Special Assessment Bond Retirement	Personnel	0
	Nonpersonnel	9,150
	Total	\$9,150

324 General Bond Retirement	Personnel	0
	Nonpersonnel	5,000
	Total	\$5,000
328 Reserve Bond Retirement	Personnel	0
	Nonpersonnel	186,200
	Total	\$186,200
331 Vintage Club Tax Increment Financing Fund	Personnel	0
	Nonpersonnel	2,619,372
	Total	\$2,619,372
Total Debt Service Funds	Personnel	0
	Nonpersonnel	2,819,722
	Total	2,819,722

Capital Projects Funds

410 Capital Improvements	Personnel	0
	Nonpersonnel	2,282,171
	Total	\$2,282,171
460 Urban Redevelopment Fund	Personnel	0
	Nonpersonnel	287,650
	Total	\$287,650
461 Triangle Equivalent TIF	Personnel	0
	Nonpersonnel	185,400
	Total	\$185,400
Total Capital Projects Funds	Personnel	0
	Nonpersonnel	2,755,221
	Total	2,755,221

Fiduciary Funds

875 Compensated Absence	Personnel	30,000
	Nonpersonnel	0
	Total	\$30,000
546 Trust Reimbursements	Personnel	0
	Nonpersonnel	110,000
	Total	\$110,000
601 State Fees	Personnel	0
	Nonpersonnel	8,000
	Total	\$8,000
836 Historical Trust Fund	Personnel	0
	Nonpersonnel	1,300
	Total	\$1,300
840 Cemetery Expendable Trust	Personnel	0
	Nonpersonnel	51,350
	Total	\$51,350
890 Unclaimed Moneys Fund	Personnel	0
	Nonpersonnel	551
	Total	\$551

Total Fiduciary Funds	Personnel	30,000
	Nonpersonnel	171,201
	Total	201,201

Total All Funds

Personnel	9,603,171
Nonpersonnel	11,759,743
Total	21,362,914

September 1, 2017

To: Brian Riblet, Interim City Manager
From: Katie Smiddy, Finance Director *KMS*
Subject: Resolution Accepting the Amounts and Rates

Request

It is necessary for City Council to consider a resolution accepting the amounts and rates as determined by the Hamilton County Budget Commission.

Financial Impact

This Resolution authorizes the necessary tax levies to be collected for budget year 2018 to the Hamilton County Auditor.

Background

In accordance with ORC section 5704.34, each taxing authority must pass a Resolution to accept and authorize the necessary tax levies and to certify the levies to the County Auditor. The preliminary amounts are from the 2018 Tax Budget and are estimates of the amounts the City will receive in property taxes:

	<u>Millage</u>	<u>2017 Estimate</u>
General Fund	4.50	\$2,363,625
Fire/EMS	5.55	\$1,926,571

Staff Recommendation

A copy of the resolution from the Hamilton County Budget Commission has not been received by the City but it is anticipated that they will be available for the October Business Meeting of City Council. In anticipation of receiving authorization of the funds from Hamilton County, it is recommended that the City Council consider a Resolution that will accept the amounts and rates as determined by the Hamilton County Budget Commission at its September 23, Work Session for the purpose of placing it on the October 4, Business Session for approval that evening.

GENERAL FUND

CURRENT TAX YEAR		2016		EFFECTIVE		RES/AG		OTHER		RATE		OTHER		FULL		PUPP		TANG PP		CALCULATION		
FULL RATE	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER
INSIDE	0.000000	0.000000	3.000000	1,245,000	3,000,000	258,900	3,000,000	24,900	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
OUTSIDE	0.000000	0.000000	1.500000	622,500	1,500,000	129,450	1,500,000	12,450	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0.000000	0.000000	4.500000	1,867,500	4,500,000	388,350	4,500,000	37,350	4,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW ESTIMATED DUPLICATE:																						
FULL RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG	OTHER	RATE	RES/AG
INSIDE	0.000000	0.000000	3.000000	418,000,000	430,450,000	86,500,000	418,000,000	24,900	418,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
OUTSIDE	0.000000	0.000000	1.500000	1,291,350	3,000,000	259,500	1,291,350	12,450	1,291,350	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0.000000	0.000000	4.500000	1,937,025	4,500,000	389,250	1,937,025	37,350	1,937,025	0	0	0	0	0	0	0	0	0	0	0	0	0

GENERAL FUND

UPCOMING TAX YEAR		2017		EFFECTIVE		RES/AG		OTHER		RATE		OTHER		FULL		PUPP		TANG PP		CALCULATION		
FULL RATE	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER	RES/AG	OTHER
INSIDE	0.000000	0.000000	3.000000	1,291,350	3,000,000	259,500	3,000,000	24,900	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0
OUTSIDE	0.000000	0.000000	1.500000	645,675	1,500,000	129,750	1,500,000	12,450	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0.000000	0.000000	4.500000	1,937,025	4,500,000	389,250	4,500,000	37,350	4,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0

TAX SUMMARY		GENERAL FUND		TOTAL	
INSIDE 10 MILL	REAL	PERSONAL	INSIDE 10 MILL	REAL	PERSONAL
	1,575,750	0		1,575,750	0
OUTSIDE 10 MILL	787,875	0		787,875	0
TOTAL	2,363,625	0		2,363,625	0
Less Roll/Hmstd	271,184	0		271,184	0
Less PUPP Reimbursement	0	0		0	0
NET LEVY	2,092,442	0		2,092,442	0
STATE REIMBURSEMENTS	271,184	0		271,184	0
GROSS LEVY PROCEEDS	2,363,625	0		2,363,625	0
NEW CONSTRUCTION					
RES/AG	3,000,000	RES/AG	0.03		
OTHER	200,000	COMM/IND	0.00		
PUPP	0				
PP	0				

REVENUE	TOTAL RESOURCES
Income Tax	6,405,176
Other Local Taxes	0
Estate Tax	0
Cigarette Tax	150
Liquor Tax	20,000
LGF-State	15,750
Grants	2,000
Interest Income	85,000
Special Assessments	0
Bldg & Construction Permits	275,000
Charges for Services	365,782
Fees, Licenses & Permits	170,250
Miscellaneous	80,446
Transfers In	141
Advances	0
TOTAL REVENUE	7,419,695
BEGINNING CASH BALANCE	13,783,984
TOTAL RESOURCES	21,203,679
TOTAL EXPENDITURES	21,203,679
REQUIRED TAX LEVY	10,349,869

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
August 7, 2017

Present

Brian Riblet, Acting City Manager
Katie Smiddy, Finance Director
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair
Mike Cappel
Laith Alfaqih

The Financial Planning Committee of Council meeting was called to order at 4:30 p.m. by Chairman Suer.

2016 Post Audit Meeting and Review

Tracy Moore, senior audit manager and Staci Reiley, audit manager, were present to conduct a review of the 2017 financial audit and management report.

Ms. Moore stated that at a preliminary meeting held with Wayne Davis and Katie Smiddy prior to the filing of the Comprehensive Annual Financial Report (CAFR), the audit report was presented and discussed. Ms. Moore stated that in the Independent Auditor's Report performed by the State Audit Team, a clean opinion was issued for the financial statements of the City. She further stated that there were no problems with internal controls and no deficiencies were identified.

Ms. Reiley expounded on the contents of the management letter, which looks at compliance and internal controls. She stated that the comments reflect matters that do not require inclusion in the Government Auditing Standards report, however, are areas where enhanced internal controls or operational efficiencies might be achieved.

Ms. Reiley identified the following areas of improvements:

- The City maintains a Law Enforcement Trust Fund and a Drug Law Enforcement Fund. The City does not have a Law Enforcement Trust policy. The Audit Team recommends the City adopt a policy to ensure the Law Enforcement Trust Fund is in compliance.
- The City contracts with Medicount to provide billing services for emergency medical services. The City reconciled the portion received from Medicount, but did not perform a reconciliation of the EMS receipts directly deposited in the City bank account. The receipts consist of Medicaid, Medicare and Insurance Company payments. The Audit Team recommends the City reconcile the direct deposit amounts in the city bank account to the monthly receipts received from Medicount. Any noted variances should be investigated. These procedures will help assure all EMS receipts collected from billings are recorded properly.

Mr. Suer thanked Ms. Moore and Ms. Reiley for their efforts and diligence in performing the audit and stated that he felt the suggestion were certainly one's staff would focus on but that he felt it was a very good report.

Ms. Moore complimented staff for being receptive to their needs and promptly responding to their requests for information. She stated that everyone is always very nice to work with.

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.

Financial Planning Committee Minutes

August 7, 2017

Page 2

July 2017 Income Tax Reports

Ms. Smiddy explained that for the month of July 2017, the City's total income tax receipts were \$632,335, which is a decrease of \$45,633 or 6.7% compared to the actual amount collected in July 2016 of \$677,968. Ms. Smiddy stated that in July, 2017, net profits from businesses located within or doing business within Montgomery were \$10,153. This is a decrease of \$8,566 or 45.7% compared to July, 2016 collections of \$18,719. Business revenues remains 11.8% above the year-to-date 2016 collections.

Ms. Smiddy stated that revenues of \$31,035 were collected in July, 2017 from residents living in Montgomery, which is a decrease of \$50,926 or 62.1% compared to July, 2016 collections of \$81,961. This variance was likely due to the earlier due date for second quarter estimated payments.

Update on 2018 Budget Preparation

Ms. Smiddy reported to the Committee that staff budget hearings are underway and she anticipates all reviews being completed the week of August 7. She stated that she and Mr. Riblet would go through a final review of the budget then proceed with preparing budget books for the Budget Review scheduled for September 27.

Minutes

Mr. Cappel moved to accept the minutes of the June 5, 2017 meeting of the Financial Planning Committee as written. Mr. Alfaqih. The Committee unanimously agreed.

Other Business

Ms. Smiddy updated the Committee on the latest changes to HB5 regarding centralized business tax collections. The State will collect .5 percent fee for all businesses who opt in to file their returns via the Ohio Business Gateway.

Mr. Riblet reported that \$630,000 in OKI reimbursement grant funds for the Montgomery Road Traffic Signal project were received by the City the same day as the meeting. He stated that the refund process was anticipated to take months but the positive working relationship with ODOT was reflected in a prompt and efficient refund process.

Adjournment

Mr. Cappel moved for adjournment. Mr. Alfaqih seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 5:20 p.m.

Chair