

December 2, 2016

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

From: Wayne S. Davis, City Manager *W.S.D.*

Subject: Financial Planning Committee Meeting December 5, 2016

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, December 5 at 4:30 PM in City Hall. The agenda for this meeting is as follows:

1. 2016 November Earnings Tax Report –The Income Tax Report for the first eleven months of 2016 will be presented at the meeting for the Committee’s review and discussion. Staff will be prepared to answer any questions on this report at Monday’s meeting.
2. Supplemental Appropriations to the 2016 Budget – Attached for your information is a memorandum from Katie Smiddy, Finance Director, requesting year-end supplemental appropriations to the 2016 Budget. The year-end supplemental appropriations are necessary to reconcile various accounts either needing additional appropriations or which are required to be reduced for budgetary compliance purposes. The aggregate effect of the supplemental appropriations will increase appropriations by \$36,000. It is important to note that this amount could fluctuate as we finalize our financials for the 2016 fiscal year.
3. Real Estate Tax Collections for 2016 – The second half real estate settlement from the County Auditor has been received by the City. A schedule has been prepared for your information which compares total real estate tax collections for 2015 and 2016. Staff will be prepared to answer any questions on this report at Monday’s 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 October 3, 2016 meeting of your Committee for review and approval at Monday’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 (3)
Katie Smiddy, Finance Director
Tonyia Burnett, Assistant Finance Director/Tax Commissioner
Connie Gaylor, Administrative Coordinator
File



FINANCIAL PLANNING COMMITTEE OF CITY COUNCIL

10101 Montgomery Road • Montgomery, Ohio 45242 • (513) 891-2424 • Fax (513) 891-2498

AGENDA

**December 5, 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. 2016 November Earnings Tax Report
 - b. Supplemental Appropriations to the 2016 Budget
 - c. Real Estate Tax Collections for 2016
- 5. Approval of Minutes:** October 3, 2016
- 6. Other Business**
- 7. Adjournment**

December 1, 2016

To: Wayne S. Davis, City Manager
From: Katie Smiddy, Finance Director
Subject: 2016 November Income Tax Variance Report

Year to Date

For the month of November, 2016, the City's total income tax receipts were \$513,240, which is a decrease of \$148,459 or 22.4% compared to the actual amount collected in November 2015 of \$661,699. The variance is attributable to the difference in the withholding payment due dates per the changes mandated by House Bill 5. In 2017, we will likely see more leveling out of the numbers. Even with the decrease of November collections, overall for the year, we are slightly above our target by 3.3%.

	2016		2015	%
	YTD Actual	Estimate	YTD Actual	Change
November Actual	\$513,240		661,699	22.4%
2016	\$8,141,857	\$7,686,149		5.9%

A breakdown by category for November, 2016 is as follows:

- *Withholding*- November withholding collections were \$465,732 or a decrease of \$106,221 or 18.6% when compared to November 2015 collections of \$571,953.
- *Business*- In November 2016, net profits from businesses located within or doing business within Montgomery were \$7,528. This is a decrease of \$14,491 or 66.5% compared to November, 2015 collections of \$22,469.
- *Resident*- Revenues of \$39,979 were collected in November, 2016 from residents living in Montgomery, which is a decrease of \$27,298 or 40.5% compared to November, 2015 collections of \$67,277.

The following schedule breaks down collections by source and provides a graph comparing actual and estimated income tax revenues for 2015 and 2016. There is also an End of Month report attached showing the comparison between month-to-date and year-to-date.

November 30, 2016

TO: Wayne S. Davis, City Manager

FROM: Katie Smiddy, Finance Director *dmz*

SUBJECT: Legislation Request Amending the Current Year Appropriations

Request

It is necessary for the City Council to amend the 2016 Appropriation Ordinance to appropriate and reduce appropriations in various funds.

Financial Impact

The proposed supplemental appropriations are necessary to reconcile accounts for the year 2016. The aggregate effect of the supplemental appropriations is to increase total appropriations by \$36,000. Most of the increase is the result of increased obligations in comparison to total appropriations. Furthermore, there are reductions in appropriation as the result of actual revenues that were less than estimated. Under Ohio Revised Code, appropriation should be reduced in these funds.

Background

The year-end supplemental appropriations are necessary to reconcile various accounts which either have bene overdrawn or need reduction for various reasons. A brief recap of the proposed appropriation is detailed below:

Fund	Department	Net Change	Reason
General	317-Lodges	\$2,500.00	Increase in Operating Equipment due to additional expenditures for Lodge repairs/improvements
General	406-City Beautiful	\$12,000.00	Increase in Operating Supplies for landscaping and pool supplies
Special Revenue	215-Law Enforcement	\$1,650.00	Increase in Operating Equipment for re-locking the Safety Center
Downtown Improvement	410.480-Downtown Improvement	\$278.00	Utility costs (quarterly water bills) for GRA
Trust & Enterprise	546-Trust Reimbursement	\$15,000	Increase in Refunds and Reimbursement for contractor bonds
Cemetery	840-Expendable Trust	\$3,000	Increase in Contract Services due to additional expenditures for mowing costs
Unclaimed Funds	890-Unclaimed Moneys	\$1,500	Increase in Refunds and Reimbursements for Unclaimed Funds

Staff Recommendation

It is recommended that Council place this item on the agenda which amends the 2015 Appropriation Ordinance which increases or decreases appropriations in various funds for the year.

ORDINANCE NO. , 2016

AN ORDINANCE TO AMEND APPROPRIATIONS FOR
CURRENT EXPENSES AND OTHER EXPENDITURES OF THE
CITY OF MONTGOMERY, STATE OF OHIO,
DURING THE FISCAL YEAR ENDING DECEMBER 31, 2016

WHEREAS, the 2016 Appropriation Ordinance No. 10, 2014 passed December 2, 2015, appropriated a total of \$20,555,700 for the year 2016;

WHEREAS, appropriations within a certain fund are insufficient to meet the obligations of the City;

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Montgomery, Ohio, that the appropriation ordinance be amended as below:

SECTION 1. There be an increase of \$14,500 in the appropriation balance of the following accounts of the General Fund 101:

Account Number 101.317.5404	Operating Equipment	+	\$	2,500
Account Number 101.406.5380	Supplies and Materials	+	\$	12,000

SECTION 2. There be an increase of \$1,650 in the appropriation balance in the Law Enforcement Fund 215 to:

Account Number 215.215.5404	Operating Equipment	+	\$	1,650
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SECTION 3. There be an increase of \$278 in the appropriation balance in the Downtown Improvement Fund 480 to:

Account Number 480.000.5310	Utilities	+	\$	278
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SECTION 4. There be an increase of \$15,000 in the appropriation balance in the Trust Reimbursement Fund 546 to:

Account Number 546.000.5350	Reimbursements	+	\$	15,000
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SECTION 5. There be an increase of \$3,000 in the appropriation balance in the Cemetary Fund 840 to:

Account Number 840.000.5365	Contractual Services	+	\$	3,000
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SECTION 6. There be an increase of \$1,500 in the appropriation balance in the Unclaimed Moneys Fund 890 to:

Account Number 890.000.5350 Reimbursements + \$ 1,500

This Ordinance shall be in full force and effect from and after the earliest period allowed by law.

PASSED: _____

ATTEST: _____
Connie Gaylor, Clerk of Council

Christopher P. Dobrozsi, Mayor

APPROVED AS TO FORM

Terrence M. Donnellon, Law Director

November 15, 2016

TO: Wayne S. Davis, City Manager

FROM: Katie M. Smiddy, Director of Finance *KMS*

SUBJECT: 2nd Half Real Estate Settlement Report for 2016

Comparison of 2015 to 2016

The 2nd half property tax collections have been received from the County Auditor and below is a tabulation of total property tax collected for 2016 compared to 2015. Total collections for 2016 of \$5,723,788 are up \$267,801 or 4.91% compared to 2015 collections of \$5,455,987. General Fund property tax collections are down \$80,635 or 3.89%, Fire Levy collections are up \$13,176 or .77% and Tax Increment Financing Districts are up \$267,801 or 4.91%.

Total Property Tax Collections Years 2015 and 2016	2015	2016	Difference	%
General Fund				
Real Estate & Delinquencies	2,130,352	2,077,083	(53,268)	-2.50%
Less Auditor Fees/Other Charges	(57,612)	(84,979)	27,367	-47.50%
Total Net Distribution	2,072,740	1,992,104	(80,635)	-3.89%
Fire Levy Fund				
Real Estate & Delinquencies	1,740,451	1,752,930	12,479	0.72%
Less Auditor Fees/Other Charges	(22,876)	(22,179)	(698)	3.05%
Total Net Distribution	1,717,575	1,730,751	13,176	0.77%
Special Assessments				
Real Estate & Delinquencies	201,270	198,496	(2,774)	-1.38%
Less Auditor Fees/Other Charges	(6,063)	(6,074)	10	-0.17%
Total Net Distribution	195,207	192,423	(2,784)	-1.43%
Tax Increment Financing Districts				
Real Estate & Delinquencies	1,488,985	1,829,782	340,797	22.89%
Less Auditor Fees/Other Charges	(18,519)	(21,272)	2,753	-14.86%
Total Net Distribution	1,470,466	1,808,510	338,044	22.99%
Total Net Distribution-All Funds	5,455,987	5,723,788	267,801	4.91%
Breakdown on TIF Districts				
Heritage District	91,021	90,271	(750)	0.82%
Triangle (See Note)	135,810	143,080	7,270	5.35%
Vintage (See Note)	1,244,020	1,575,159	331,139	26.62%
Total	1,470,852	1,808,510	337,659	22.96%

Note-Half of the net distributions are paid to the Sycamore School District

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
October 3, 2016

Present

Wayne Davis, City Manager
Katie Smiddy, Finance Director
Tonyia Burnett, Tax Commissioner & Asst. Finance Director
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair
Ann Combs
Mike Cappel

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

Reallocation of Earnings Taxes

Ms. Smiddy explained to the Committee that as presented in the 2017 Operating and Capital Budget at the September 14, Budget Review meeting, staff is requesting that the Committee consider proceeding with legislation which reallocates the City's Earnings Tax revenues effective February 1, 2017.

Ms. Smiddy further explained that the current earnings tax allocation is: 76% of Earnings Tax revenues to the General Fund, 4% to the General Bond Retirement Fund and 20% to the Capital Improvement Fund. The proposed reallocation would provide 80% of the Earnings Tax revenues to the General Fund, 0% to the General Bond Retirement Fund and 20% to the Capital Improvement Fund. She stated that the proposed allocation would provide the General Fund, over the next five years, with approximately \$1,700,000 in redistributed tax revenues to support operations while continuing to meet targeted fund balances in the General Fund, and Capital Improvement Fund.

Mr. Cappel made a motion to approve the reallocation of earnings taxes. Mrs. Combs seconded. The Committee unanimously agreed.

2016 September Income Tax Report

Ms. Burnett explained that for the month of September 2016, the City's total income tax receipts were \$642,384 which is an increase of \$69,704 or 12.2% compared to the actual amount collected in September 2015 of \$572,681. Ms. Burnett stated the variance was attributed to the changes in House Bill 5 with the due date for third quarter estimates being moved from October to September. Revenues of \$115,684 were collected in September, 2016 from residents living in Montgomery, which is an increase of \$19,737 or 20.6% compared to September, 2015 collections of \$95,947.

Other Business

Ms. Smiddy stated along with Mr. Cappel, she had attended a program sponsored by the Hamilton County Municipal League at which Ohio House Finance Chair Ryan Smith and Ohio Senate Finance Vice-Chair Bill Coley spoke about the upcoming Ohio budget process. She stated that Mr. Smith and Mr. Coley spoke about Centralized Tax Collection but both strongly felt that it would not be passed. She stated she would continue to update the Committee on its progress. She also stated that Mr. Smith indicated that there would be further cut backs to funding in 2017.

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

October 3, 2016

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Minutes

Mrs. Combs moved to adopt the minutes of the September 6, 2016 meeting of the Financial Planning Committee. Mr. Cappel seconded. The Committee unanimously agreed.

Adjournment

Mr. Cappel moved for adjournment. Mrs. Combs seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 5:00 p.m.

Chair