

June 2, 2017

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

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

Subject: Financial Planning Committee Meeting June 5, 2017

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

1. May 2017 Income Tax Report – The Income Tax Report for the month of May will be presented at the meeting for the Committee's review. Staff will be prepared to answer any questions on this report at Monday's meeting.
2. Review of the 1<sup>st</sup> Half Real Estate Settlement – The first Half Real Estate Settlement Report is attached and will be presented by Katie Smiddy, Finance Director, at the meeting. Staff will be prepared to answer any questions on this report at Monday's meeting.
3. Update on the 2016 Financial Audit – Staff will be prepared to provide an update on the financial audit of the City and the Community Improvement Corporation which is being conducted by the State Auditor's Office.
4. 2018 Tax Budget – A component of the preparation work for the 2017 annual operating and capital budget is the preparation and submission of the City's 2018 Tax Budget for City Council approval. In accordance with the Ohio Revised Code it is necessary for City Council to pass a Resolution approving the Tax Budget for the fiscal year beginning January 1, 2017 for submission to the Hamilton County Auditor. Failure to pass a Tax Budget before July 15 and submit a Tax Budget to the County Auditor before July 20 of each year can jeopardize the City's share of Local Government and Local Government Assistance Funds. As discussed at the May 24 City Council Work Session Meeting, it is recommended that City Council hold a Public Hearing on June 21, 2017 on the 2018 Tax Budget prior to consideration of its passage on July 5, 2017.
5. Miscellaneous Updates
  - a. Hiring Process within the Finance Department
  - b. Financial Software
  - c. Arts and Amenities Bequests
6. 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 April 3, 2017 meeting of the Financial Planning 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)  
Katie Smiddy, Finance Director  
Connie Gaylor, Administrative Coordinator  
File



**AGENDA**

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

**4:30 P.M.**

- 1. Call to Order**
- 2. Guests and Residents**
- 3. Communications**
- 4. New Business**
  - a. May 2017 Income Tax Report
  - b. Review of the 1st Half Real Estate Settlement
  - c. Update on the 2016 Financial Audit
  - d. 2018 Tax Budget
  - e. Miscellaneous Updates
- 5. Approval of Minutes: April 3, 2017**
- 6. Other Business**
- 7. Adjournment**

June 1, 2017

To: Wayne S. Davis, City Manager

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

Subject: 1st Half Real Estate Settlement Report for 2017

**Comparison of 2016 to 2017**

The 1st half property tax collections have been received from the County Auditor and below is a tabulation of total property tax collected for 2017 compared to 2016. Total collections for 2017 of \$3,297,811 are up \$309,478 or 10.36% compared to 2016 collections of \$2,988,333. General Fund property tax collections are up \$12,401 or 1.19%, Fire Levy collections are down \$12,142 or (1.33%) and Tax Increment Financing Districts are up \$314,006 or 33.74%.

**Total Property Tax Collections for Years 2016 and 2017**

1st Half Real Estate	2016	2017	Difference	%
<b>General Fund</b>				
Real Estate Delinquencies	1,100,111	1,086,977	(13,134)	-1.19%
Less Auditor Fees/Other Charges	58,034	32,499	(25,535)	-44.00%
<b>Total Net Distribution</b>	<b>1,042,077</b>	<b>1,054,478</b>	<b>12,401</b>	<b>1.19%</b>
<b>Fire Levy Fund</b>				
Real Estate Delinquencies	926,710	913,406	(13,304)	-1.44%
Less Auditor Fees/Other Charges	(13,015)	(11,853)	1,162	-8.93%
<b>Total Net Distribution</b>	<b>913,695</b>	<b>901,553</b>	<b>(12,142)</b>	<b>-1.33%</b>
<b>Special Assessments</b>				
Real Estate Delinquencies	105,390	100,457	(4,934)	-4.68%
Less Auditor Fees/Other Charges	(3,362)	(3,215)	147	-4.37%
<b>Total Net Distribution</b>	<b>102,028</b>	<b>97,242</b>	<b>(4,786)</b>	<b>-4.69%</b>
<b>Tax Increment Financing Districts</b>				
Real Estate Delinquencies	942,116	1,259,728	317,612	33.71%
Less Auditor Fees/Other Charges	(11,583)	(15,189)	(3,606)	31.13%
<b>Total Net Distribution</b>	<b>930,533</b>	<b>1,244,539</b>	<b>314,006</b>	<b>33.74%</b>
<b>Total Net Distribution-All Funds</b>	<b>2,988,333</b>	<b>3,297,811</b>	<b>309,478</b>	<b>10.36%</b>



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Memorandum

1st Half Real Estate	2016	2017	Difference	%
<b>Breakdown on TIF Districts</b>				
Hertiage District	45,106	49,381	4,275	9.48%
Triangle (See Note)	71,493	78,583	7,090	9.92%
Vintage (See Note)	813,934	1,037,779	223,845	27.50%
<b>Total</b>	<b>930,533</b>	<b>1,165,744</b>	<b>235,211</b>	<b>25.28%</b>

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

June 1, 2017

**TO:** Wayne Davis, City Manager  
**FROM:** Katie M. Smiddy, Finance Director *KMS*  
**SUBJECT:** 2018 Tax Budget

**REQUEST**

In accordance with ORC Section 5705.28, each taxing authority must pass a resolution adopting a tax budget prior to July 15<sup>th</sup> and submit such tax budget to the County Auditor. It is necessary for City Council to consider a Resolution approving the Tax Budget for the fiscal year beginning January 1, 2018 and submit the said tax budget to the Hamilton County Auditor.

**FINANCIAL IMPACT**

Failure to pass a Tax Budget before July 15 and submit a Tax Budget to the County Auditor before July 20 of each year may jeopardize the City's share of the Local Government Fund.

**BACKGROUND**

The Tax Budget requires the City to estimate revenues and expenditures for funds which derive revenues from real and personal property taxes.

The City of Montgomery has two (2) funds which derive money from property taxes: the General Fund and Fire Levy Fund. Detailed schedules for these funds have been included in the 2018 tax budget.

**Assessed Valuation:**

It is estimated that the total assessed valuation for the year 2017, collected in 2018, for the City of Montgomery is estimated to be \$526 million. This is an estimated .19% increase property values from the assessed valuation for tax year 2017 of \$525 million.

**General Fund:**

The General Fund collects 4.5 mills (3 mills inside, 1.5 mills outside) on real property. It is estimated at \$2,071,000 million will be collected in property taxes in 2018 for the General Fund; this is an increase of 1% that is expected to be collected in 2017.

Income tax collections in the General Fund are estimated to be \$6,405,176 of the total income tax collection of \$8.1 million estimated for 2018; the assumption is that **total** income tax revenues are estimated to increase 1% over the amount collected in 2017. The amount of income tax revenues allocated to the General Fund is 80% in 2017. It is estimated that the General Fund will have a cash balance of approximately \$12.8 million at the end of fiscal year 2018.

Other General Fund revenues are estimated to remain relatively flat due to the continued steady economy. Total revenues of the General Fund for 2018 are estimated at \$9,857,959 as compared to

\$9,836,595 estimated for 2017. This is an increase of \$81,021,364 or approximately .22% which is attributed to the estimated increase in income and property tax revenues.

Expenditures of the General Fund are estimated to be \$10,853,810 in 2018, as compared to \$10,596,334 in 2017. This is an increase of \$257,476, which can be attributed to increased allocations to capital equipment.

Transfers from the General Fund programmed for 2017 and estimated for 2018 are as follows:

Line Item	2017	2018
School Resource Officer	\$64,006	\$57,600
Environmental Impact Tax	\$45,000	\$33,000
Street Maintenance & Repair	\$575,000	\$650,000
Municipal Pool	\$15,000	\$15,000
<b>Total</b>	<b>\$699,006</b>	<b>\$755,600</b>

Fire Levy Fund:

The Fire Levy is a 5.55 mill permanent levy with no expiration date. Total revenues in the Fire Levy Fund are estimated to be \$2,187,644 in 2018 as compared to \$2,162,296 in 2017; this is an increase of \$25,348.

Total expenditures for the 2017 Fire Levy Fund are estimated at \$2,784,752, as compared to \$2,783,782 estimated for 2017. This is an increase of \$970 or .03%.

The estimated ending cash balance for the Fire Levy Fund for 2018 is \$2,668,513. This is \$597,108 less than the estimated 2017 ending cash balance. This is an operating reserve of 11.5 months, which meets the City's fund balance reserve policy of 6 to 12 months.

Other Operating Funds:

The other operating funds addressed in the 2018 Tax Budget are estimated to be continuations of current budget spending levels with adjustments made for healthcare and personnel costs by labor contracts.

Capital Projects Spending:

Capital spending is projected at \$3,125,000 being spent on permanent improvements. These projects were taken from the 2017-2021 Capital Improvement Program and are projects which were reviewed and approved by Council on an individual basis. The presentation of these projects in this Tax Budget is intended to indicate a level of spending for capital outlay.

Debt Service:

A schedule of Outstanding Debt is presented in the 2018 Tax Budget. It is estimated that the City will have approximately \$13.2 million outstanding in debt as of January 1, 2018 for Special Obligation and Special Assessment debt. Debt service payments for this debt in 2018 will be \$999,750 for principal repayment and \$566,456 for interest expense.

The City has not had any outstanding General Obligation Debt since 2014.

**STAFF RECOMMENDATION**

It is recommended that City Council hold a Public Hearing on the Tax Budget on June 21, 2017 to enable staff to report on the 2018 Tax Budget to City Council and members of the public.

It is recommended that City Council place this Resolution on the July 5, 2017, Business agenda for consideration that evening.

**City of Montgomery, Ohio  
Hamilton County, Ohio  
July 9, 2018**

This Budget must be adopted by the Council of Montgomery Ohio on or before July 15th, and two copie must be submitted to the County Auditor on or before July 20th. FAILURE TO COMPLY WITH SEC. 5705.28 R.C. SHALL RESULT IN LOSS OF LOCAL GOVERNMENT FUND ALLOCATION.

**To the County Auditor of said County:**

The following Budget year beginning January 1, 2018, has been adopted by Council and is herewith submitted for consideration of the County Budget Commission.

Signed
<b>Katie M. Smiddy, Director of Finance</b>

**SCHEDULE A**

**SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION,  
AND COUNTY AUDITOR'S ESTIMATED RATES**

For Municipal Use	For Budget Commission Use			For County Auditor Use	
FUND	Budget Year Amount Requested of Budget Commission Inside/Outside	Budget Year Amount Approved Budget Commission 10 Mill Limitation	Budget Year Amount Derived From Levies Outside 10 Mill Limitation	County Auditor's Estimate of Tax Rate to be Levied	
				Inside 10 Mill Limit Budget Year	Outside 10 Mill Limit Budget Year
<b>GOVERNMENT FUNDS</b>					
GENERAL FUND	2,071,000				
FIRE LEVY FUND	1,804,584				
<b>PROPRIETARY FUNDS</b>					
<b>FIDUCIARY FUNDS</b>					
<b>TOTAL ALL FUNDS</b>	<b>3,875,584</b>				



FUND NAME: GENERAL FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2015 Actual	2016 Actual	Current Year Estimated for 2017	Budget Year Estimated for 2018
<b>REVENUES</b>				
Local Taxes				
General Property Taxes-Real Estate	2,061,727	2,077,136	2,050,000	2,071,000
Tangible Personal Property Taxes	-	-	-	-
Municipal Income Taxes	6,424,913	6,719,027	6,341,758	6,405,176
Other Local Taxes	93	8	50	-
Total Local Taxes	8,486,733	8,796,171	8,391,808	8,476,176
Intergovernmental Revenues				
Local Government- State	31,401	14,752	15,750	15,750
Local Government- County	122,155	117,129	105,000	105,000
Estate Tax	17,062	-	-	-
Cigarette Tax	120	150	150	150
Liquor Tax	19,568	23,353	20,000	20,000
Property Tax Allocation	256,244	258,710	254,717	257,264
Other State Shared Taxes and Permits	-	-	-	-
Total State Shared Taxes and Permits	446,550	414,094	395,617	398,164
Federal Grants or Aid				
State Grants or Aid	-	-	-	-
Other Grants or Aid	1,589	-	2,000	2,000
Total Intergovernmental Revenues	448,139	414,094	397,617	400,164
Interest Income	100,077	97,046	85,000	85,000
Special Assessments	-	-	-	-
Building and Construction Permits	269,379	329,239	350,000	275,000
Charges for Services	382,276	354,159	364,849	365,782
Fines, Licenses and Permits	141,882	134,614	168,250	170,250
Miscellaneous Revenues	72,884	55,055	70,445	80,446
Other Financing Sources:				
Lease Payments	-	-	-	-
Transfers	16,139	-	1,126	141
Reimbursements	-	-	-	-
Other Sources	10,773	19,914	7,500	5,000
<b>TOTAL REVENUES</b>	<b>9,928,282.00</b>	<b>10,200,292.00</b>	<b>9,836,595</b>	<b>9,857,959</b>

FUND NAME: GENERAL FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2015 Actual	2016 Actual	Current Year Estimated for 2017	Budget Year Estimated for 2018
<b>EXPENDITURES</b>				
Security of Persons and Property				
Personal Services and Benefits	2,789,659	2,780,532	3,204,691	3,229,846
Travel Transportation	19,960	32,199	26,265	26,265
Contractual Services	225,281	250,230	367,611	334,916
Supplies and Materials	27,710	21,400	33,389	39,492
Capital Outlay	112,601	8,999	115,795	44,095
Total Security of Persons and Property	3,175,211	3,093,360	3,747,751	3,674,614
Public Health Services				
Personal Services and Benefits	-	-	-	-
Travel Transportation	-	-	-	-
Contractual Services	-	-	-	-
Supplies and Materials	54,936	55,415	58,179	58,440
Capital Outlay	-	-	-	-
Total Public Health Services	54,936	55,415	58,179	58,440
Leisure Time Activities				
Personal Services and Benefits	434,109	484,689	534,874	566,394
Travel Transportation	7,110	5,532	9,000	9,500
Contractual Services	280,145	334,949	372,613	368,254
Supplies and Materials	109,391	144,679	155,510	192,816
Capital Outlay	60,473	9,859	43,900	-
Total Leisure Time Activities	891,228	979,708	1,115,897	1,136,964
Community Environment				
Personal Services and Benefits	302,877	340,859	364,416	489,788
Travel Transportation	6,937	7,669	9,100	9,100
Contractual Services	270,999	348,026	455,400	295,200
Supplies and Materials	5,507	2,392	14,350	23,800
Capital Outlay	-	-	1,200	-
Total Community Environment	586,320	698,946	844,466	817,888
Basic Utility Services				
Personal Services and Benefits	-	-	-	-
Travel Transportation	-	-	-	-
Contractual Services	509,687	623,806	611,587	656,250
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Total Basis Utility Services	509,687	623,806	611,587	656,250

FUND NAME: GENERAL FUND  
 FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2015 Actual	2016 Actual	Current Year Estimated for 2017	Budget Year Estimated for 2018
Public Works				
Personal Services and Benefits	476,532	500,276	671,525	693,155
Travel Transportation	4,534	3,907	4,500	4,500
Contractual Services	81,997	104,850	119,700	121,900
Supplies and Materials	10,353	6,456	16,050	10,600
Capital Outlay	5,592	-	-	-
Total Public Works	579,008	615,489	811,775	830,155
General Government				
Personal Services and Benefits	1,191,658	1,224,302	1,526,347	1,599,008
Travel Transportation	43,009	42,241	53,765	45,945
Contractual Services	1,084,627	956,055	1,011,711	1,191,496
Supplies and Materials	58,440	51,405	115,850	87,450
Capital Outlay	24,889	-	-	-
Total General Government	2,402,623	2,274,003	2,707,673	2,923,899
<b>Total General Fd Before Other Uses</b>	<b>8,199,013</b>	<b>8,340,727</b>	<b>9,897,328</b>	<b>10,098,210</b>
Debt Service				
Redemption of Principal				
Interest				
Total Debt Service				
Other Uses of Funds				
Transfers				
to Street Maintenance Fund	425,000	450,000	575,000	650,000
to Municipal Pool	-	15,000	15,000	15,000
to Downtown Improvement Fund	2,000,000	-	-	-
to General Bond Retirement	-	49,500	-	-
to School Resource Officer Fund	49,000	-	64,006	57,600
to Environmental Impact	20,000	25,500	45,000	33,000
-	-	-	-	-
Total Other Uses of Funds	2,494,000	540,000	699,006	755,600
Advances Out				
<b>TOTAL EXPENDITURES</b>	<b>10,693,013</b>	<b>8,880,727</b>	<b>10,596,334</b>	<b>10,853,810</b>
Revenues over/(under) Expenditures	(764,731)	1,319,565	(759,739)	(995,851)
Beginning Unencumbered Balance	13,988,889	13,224,158	14,543,723	13,783,984
Ending Cash Balance	13,224,158	14,543,723	13,783,984	12,788,133
Estimated Encumbrances (outstanding at year end)	180,489	266,923	200,000	244,000
Estimated Ending Unencumbered Fund Balance	13,043,669	14,276,800	13,583,984	12,544,133

FUND NAME: FIRE LEVY FUND  
 FUND TYPE/CLASSIFICATION: GOVERNMENTAL-SPECIAL REVENUE FUND

DESCRIPTION	2015 Actual	2016 Actual	Current Year Estimated for 2017	Budget Year Estimated for 2018
<b>REVENUES</b>				
Real Estate				
Real Estate Property Tax	1,740,492	1,752,971	1,786,717	1,804,584
Personal Property Tax	-	-	-	-
Property Tax Allocation	218,745	205,638	212,364	214,488
Other	17,441	13,147	15,213	25,872
Interest	30,230	19,688	23,000	17,700
EMS Fees	145,402	173,114	125,000	125,000
Total Real Estate Taxes	2,152,310	2,164,558	2,162,294	2,187,644
				-
Transfer from General Fund				
Miami Conservancy	-	-	-	-
Charter Fire Force				
Proceeds From Debt				
Charter Fire Force				
<b>TOTAL REVENUES</b>	2,152,310	2,164,558	2,162,294	2,187,644
<b>EXPENDITURES</b>				
Personal Services and Benefits	1,852,903	1,984,660	2,269,738	2,373,690
Travel Transportation	17,033	23,720	31,950	36,977
Contractual Services	239,533	213,518	270,200	279,114
Supplies and Materials	12,430	11,513	20,150	20,600
Capital Outlay	42,683	110,807	191,744	74,371
				-
<b>TOTAL EXPENDITURES</b>	2,164,582	2,344,218	2,783,782	2,784,752
Revenues over/(under) Expenditures	(12,272)	(179,660)	(621,488)	(597,108)
Beginning Unencumbered Balance	4,339,866	4,327,594	3,887,109	3,265,621
Ending Cash Balance	4,327,594	3,887,109	3,265,621	2,668,513
Estimated Encumbrances (outstanding at year end)	48,923	99,282	30,000	30,000
Estimated Ending Unencumbered Fund Balance	4,278,671	3,787,827	3,235,621	2,638,513

FUND NAME:  
 FUND TYPE/CLASSIFICATION: GOVERNMENTAL-SPECIAL REVENUE FUND

DESCRIPTION	2015 Actual	2016 Actual	Current Year Estimated for 2017	Budget Year Estimated for 2018
<b>REVENUES</b>				
Local Taxes				
General Property Taxes-Real Estate				
Tangible Personal Property Taxes				
Total Local Taxes			-	-
Charges for Services				
Interest Income				
Transfers from				
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES</b>				
Personal Services and Benefits				
Travel Transportation			-	-
Contractual Services			-	-
Supplies and Materials			-	-
Capital Outlay			-	-
	-		-	-
<b>TOTAL EXPENDITURES</b>	-		-	-
Revenues over/(under) Expenditures	-	-	-	-
Beginning Unencumbered Balance	-	-	-	-
Ending Cash Balance	-	-	-	-
Estimated Encumbrances (outstanding at year end)	-	-	-	-
Estimated Ending Unencumbered Fund Balance	-	-	-	-

STATEMENT OF PERMANENT IMPROVEMENTS

DESCRIPTION	Estimated Cost of Permanent Improvements	Amount to be Budgeted During Current Year	Name of Paying Fund
<b>City Parks</b>			
Parking Lot Repairs/Striping	\$12,500	\$12,500	Capital Improvement Fund
Asphalt Path Repairs	\$12,500	\$12,500	Capital Improvement Fund
Resurface Tennis Courts	\$0	\$0	Capital Improvement Fund
Resurface Basketball Courts	\$10,000	\$10,000	Capital Improvement Fund
Replacement & Relocation of Greenhouse	\$75,000	\$75,000	Capital Improvement Fund
<b>Swaim and Terwilliger Lodges</b>		\$0	
Building Repair and Maintenance	\$5,000	\$5,000	Capital Improvement Fund
Staining/Sealing deck	\$0	\$0	Capital Improvement Fund
HVAC Replacement	\$0	\$0	Capital Improvement Fund
<b>Special Events</b>		\$0	
Sound System	\$0	\$0	Capital Improvement Fund
<b>Public Works Administration</b>		\$0	
Upgrades to Council Chambers	\$100,000	\$100,000	Capital Improvement Fund
Replace Carpet at City Hall	\$35,000	\$35,000	Capital Improvement Fund
<b>Community &amp; Information Services</b>	\$0	\$0	
Replace Network Cabling	\$0	\$0	Capital Improvement Fund
<b>Police Department</b>			
Cruiser Carport	\$0	\$0	Capital Improvement Fund
<b>Street Maintenance and Repair</b>			Capital Improvement Fund
Annual Resurfacing	\$950,000	\$950,000	Capital Improvement Fund
Asphalt Surface Treatments	\$125,000	\$125,000	Capital Improvement Fund
Crack Sealing Program	\$75,000	\$75,000	Capital Improvement Fund
Curb Repairs	\$50,000	\$50,000	Capital Improvement Fund
Contingencies	\$30,000	\$30,000	Capital Improvement Fund
Sidewalk Repairs	\$42,000	\$42,000	Capital Improvement Fund
Small Drainage Projects	\$85,000	\$85,000	Capital Improvement Fund
Sidewalk Install Btw Montgomery & Weller	\$0	\$0	Capital Improvement Fund
Sidewalk Construction Ross	\$0	\$0	Capital Improvement Fund
Guardrail Repair/Replace	\$25,000	\$25,000	Capital Improvement Fund
Renovation of Public Works Facility	\$1,000,000	\$1,000,000	Capital Improvement Fund
Jolain Drive Storm Water Project		\$0	Capital Improvement Fund
<b>Municipal Pool</b>		\$0	
Basketball Court	\$0	\$0	Capital Improvement Fund
Water Feature	\$0	\$0	Capital Improvement Fund
Main Pump	\$0	\$0	Capital Improvement Fund
<b>Vintage Club North or GRA</b>	\$450,000	\$450,000	Tax Increment Financing
<b>Urban Redevelopment Fund</b>	\$0	\$0	
Heritage District Pedestrian Improvements	\$15,000	\$15,000	Urban Redevelopment Fund
Streetscape Fill-in Projects	\$20,000	\$20,000	Urban Redevelopment Fund
Public Common Area Construction	\$0	\$0	Urban Redevelopment Fund
<b>Cemetery Expendable Trust</b>		\$0	
Asphalt Road and Curb Repairs	\$4,000	\$4,000	Capital Improvement Fund
Sealing of Asphalt Walking Paths	\$4,000	\$4,000	Capital Improvement Fund
<b>TOTAL PERMANENT IMPROVEMENTS</b>	<b>\$3,125,000</b>	<b>\$3,125,000</b>	
<b>Break Down by Name of Paying Fund</b>			
Capital Improvement Fund	\$2,640,000	\$2,640,000	
Tax Increment Financing	\$450,000	\$450,000	
Urban Redevelopment Fund	\$35,000	\$35,000	
<b>Total of all Funds</b>	<b>\$3,125,000</b>	<b>\$3,125,000</b>	



**COUNTY AUDITOR'S ESTIMATE**  
 Tax Levies and Rates for  
 Assessed Valuation \$ \_\_\_\_\_

	Amount Approved By Budget Commission	County Auditor's Estimate of Rate in Mills
<b>LEVIES WITH IN 10 MILL LIMITATION</b>  COUNTY TOWNSHIP SCHOOL VILLAGE CITY   <b>TOTAL</b>		
<b>LEVIES OUTSIDE 10 MILL LIMITATION</b>  COUNTY TOWNSHIP SCHOOL VILLAGE CITY STATE   <b>TOTAL</b> <b>TOTAL LEVY FOR ALL PURPOSES</b>		

*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  
April 3, 2017

**Present**

Wayne Davis, City Manager  
Katie Smiddy, Finance Director  
Connie Gaylor, Clerk of Council

**Council Committee Members Present**

Ken Suer, Chair  
Mike Cappel  
Laith Alfaqih

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The Financial Planning Committee of Council meeting was called to order at 4:37 p.m. by Chairman Suer.

**March 2017 Income Tax Report**

Ms. Smiddy explained that for the month of March 2017, the City's total income tax receipts were \$786,908, which is a decrease of \$68,513 or 8% compared to the actual amount collected in March 2016 of \$855,421. Ms. Smiddy stated the variance is attributed to the that withholding revenue was up significantly in 2016; 2017 revenue was more in line with the amount collected in 2015.

Ms. Smiddy stated that Resident revenue was up significantly in December, 2016 due to the earlier due date for estimated tax payments; however, resident revenue remains down so far in 2017.

**Establishment of New Funds**

Ms. Smiddy explained the Gateway Redevelopment Area will require the establishment of three new funds to account for bond proceeds, grand dollars and debt service. She explained the City will need to establish two construction funds and a debt service fund. The construction funds will be used to account for the bond proceeds and the various grant dollars received to construct the development. The Debt Service Fund will collect the PILOT payments and be utilized for annual debt service payments.

**Supplemental Appropriations**

Ms. Smiddy explained that it is necessary to adjust appropriations due to unplanned expenses for 2017 in the following accounts:

410.261.5470	Renovation of Public Works Facility	\$100,000
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This will provide additional funds to allow for funding of three alternative bids for this project including an 18-foot Truck Bay Addition; Fire Protection and a Back-Up Generator, as well as for \$30,000 in contingency appropriation for this project which was originally budgeted for \$900,000, without the alternatives.

101.715.5401	Purchase of Hamilton County Land at the GRA	\$600,000
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This appropriation increase from the City's General Fund will allow for the purchase of 10.334 acres from Hamilton County for the Gateway Redevelopment Project. This was approved by City Council at its February 1, 2017 Business Session. To accommodate this increase, the City will plan to transfer the cash balance of the 460 – Urban Redevelopment Fund to the General Fund when the Village Corner and Montgomery Commons Tax Increment Financing (TIF) districts are terminated later in the year. This appropriation will be added as a supplemental appropriation at the end of the year to transfer and close out the remaining fund balance in the Urban Redevelopment Fund.

101.715.5401	Purchase of Land from Life Enriching Communities	\$509,000
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*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**

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This appropriation increase from the City's General Fund will allow for the purchase of .4 acres from Life Enriching Communities that is directly south of the City's Safety Center at 10150 Montgomery Road. This was approved by City Council at its April 5, 2017 Business Session. In the beginning of 2017, City Council approved a change in the City's earnings tax allocation to allow for an additional 4% of collections to be allocated to the City's General Fund. This additional allocation is forecasted to result in \$330,000 in collections, and will contribute to the General Fund's Cash Reserves.

Mr. Cappel made a motion to amend and adopt the appropriations legislation as passed at the December 7, 2016 Business Session of City Council. Mr. Alfaqih seconded. The Committee unanimously agreed.

### **Miscellaneous Updates**

Ms. Smiddy updated the Committee on the hiring process for the Assistant Finance Director and Tax Commissioner. She explained that there was a total of 14 candidates, with seven being chosen for interviews. She stated that all looked like viable applicants in which most have strong tax backgrounds. Staff is anticipating a June start date.

Ms. Smiddy updated the Committee on a pre-audit meeting with Stacie Riley and Tracey Moore. Ms. Smiddy stated that we are ahead of schedule in terms of the audit and doesn't anticipate any difficulties.

Ms. Smiddy updated the Committee on the current progress of considering financial software that would include tax, finance and budgetary modules. She explained that staff is currently scheduling demonstrations with various companies as well as surveying GFOA members of their software providers.

Ms. Smiddy updated the Committee on the status of the research of the Arts and Amenities Bequests and the restrictions on the use of the funds. Staff will follow up with the Committee with additional information at the next scheduled meeting.

### **Other Business**

Ms. Smiddy reported that the City was randomly selected to be audited by the State of Ohio of our Ohio Police and Fire Pension fund reporting. She reported that there were no errors or omission reported.

### **Minutes**

Mr. Cappel moved to accept the minutes of the February 6, 2017 meeting of the Financial Planning Committee as written. Mr. Alfaqih seconded. The Committee unanimously agreed.

### **Adjournment**

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

The Financial Planning Committee of Council was adjourned at 5:25 p.m.

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Chair