

November 3, 2017

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

From: Brian K. Riblet, Interim City Manager 

Subject: Financial Planning Committee Meeting November 6, 2017

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, November 6 at 4:30 p.m. in City Hall. The agenda for this meeting is as follows:

1. October 2017 Income Tax Reports – Katie Smiddy, Finance Director, will be present to discuss the September Income Tax Report with the Committee. Staff will be prepared to answer any questions on this report at Monday's meeting.
2. 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 2, 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 (4)
Katie Smiddy, Finance Director
Connie Gaylor, Administrative Coordinator
File



AGENDA

**November 6, 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. October 2017 Income Tax Reports
- 5. Approval of Minutes:** October 2, 2017
- 6. Other Business**
- 7. Adjournment**

November 1, 2017

To: Brian Riblet, City Manager
From: Katie Smiddy, Finance Director
Subject: 2017 October Income Tax Variance Report

Year to Date

For the month of October 2017, the City’s total income tax receipts were \$747,037, which is an increase of \$21,565 or 2.9% compared to the actual amount collected in October, 2016 of \$725,472. Business and resident revenues were down for the month; however, year-to date-business and resident revenues are up slightly. Withholding revenue increased in October and we are still on track to meet our income tax revenue projection for 2017.

	2017	2016	% Change
October Actual	747,037	725,472	2.9%

	YTD Actual	YTD Estimate	% Change
2017	7,696,905	7,213,340	6.7%

A breakdown by category for October 2017 is as follows:

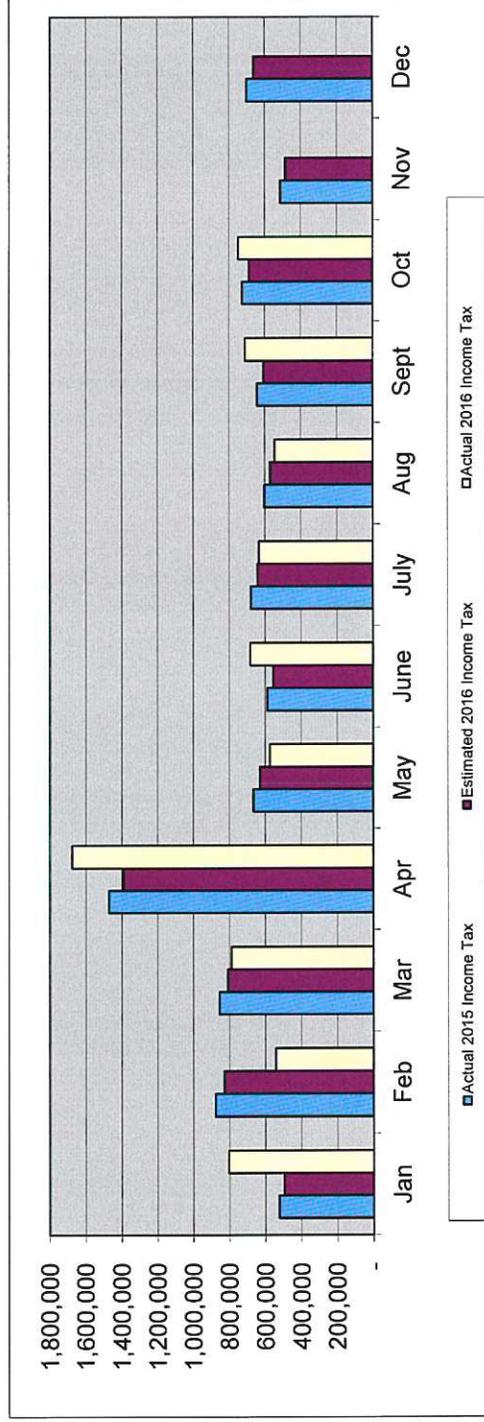
Withholding- October, 2017 withholding collections were \$603,352; an increase of \$57,468 or 10.5% when compared to October, 2016 collections of \$545,884. Year-to-date collections remain less than 1% above 2016 revenue.

Business- In October 2017, net profits from businesses located within or doing business within Montgomery were \$36,283. This is a decrease of \$4,297, or (10.5) % compared to October, 2016 collections of \$40,579; however, business revenue remains 2.8% above the year-to-date 2016 collections.

Resident- Revenues of \$107,402 were collected in October, 2017 from residents living in Montgomery, which is a decrease of \$31,607 or (22.7) % compared to October, 2016 collections of \$139,009. (Note: this is likely due to the change in the due date for 3rd quarter estimated payments. September revenue was up 43.1%). Year-to-date collections remain slightly (0.3%) above 2016 revenue.

The following schedule breaks down collections by source and provides a graph comparing actual and estimated income tax revenues for 2016 and 2017. There is also an End of Month report attached showing the comparison between month-to-date and year-to-date.

	Actual 2016			Actual 2017			Total	2017 Estimate	Estimate Variance	%	Actual Variance	%
	Business	Resident	Withholding	Business	Resident	Withholding						
Jan	17,542	93,584	413,319	12,454	68,351	722,537	803,342	495,896	307,446	62.00%	278,897	53.18%
Feb	19,898	62,306	794,997	22,606	40,535	479,397	542,538	829,449	(286,911)	-34.59%	(334,663)	-38.15%
Mar	34,852	113,308	707,260	99,154	80,713	607,041	786,908	808,854	(21,946)	-2.71%	(68,512)	-8.01%
Apr	191,046	728,655	551,253	176,316	862,645	637,505	1,676,466	1,390,880	285,586	20.53%	205,512	13.97%
May	25,740	119,339	519,159	12,875	46,351	513,777	573,003	628,079	(55,076)	-8.77%	(91,235)	-13.74%
June	42,164	122,100	423,369	57,882	186,385	437,395	681,662	555,644	126,018	22.68%	94,029	16.00%
July	18,719	81,961	577,288	10,153	31,035	591,148	632,336	641,062	(8,726)	-1.36%	(45,632)	-6.73%
Aug	19,709	47,089	536,103	8,602	39,243	497,160	545,005	570,081	(25,076)	-4.40%	(57,896)	-9.60%
Sept	93,373	115,684	433,327	81,667	165,638	461,304	708,609	607,415	101,194	16.66%	66,225	10.31%
Oct	40,579	139,009	545,884	36,283	107,402	603,352	747,037	485,301	(485,301)	-100.00%	(513,240)	-100.00%
Nov	7,529	39,979	465,732					662,467	(662,467)	-100.00%	(700,606)	-100.00%
Dec	60,138	195,268	445,200									
Totals	571,289	1,858,282	6,412,891	517,991	1,628,298	5,550,616	7,696,906	8,361,108	(664,202)	-96.8%	(1,145,556)	-157.9%



CITY OF MONTGOMERY
END OF MONTH REPORT
31 OCT 2017

	2015	2016	2017	2017 vs 2016	2017	2016	2017 vs 2016
	Month-to-date	Month-to-date	Month-to-date	Month percent	Year-to-date	Year-to-date	Year percent
January							
Business	23,512.73	17,541.54	12,453.80	-29.0	12,453.80	17,541.54	-29.0
Resident	107,848.39	93,583.69	68,350.52	-26.9	68,350.52	93,583.69	-26.9
Withholding	697,916.73	413,319.13	722,537.48	74.8	722,537.48	413,319.13	74.8
TOTAL	829,277.85	524,444.36	803,341.80	53.1	803,341.80	524,444.36	53.1
February							
Business	23,143.93	19,898.25	22,606.46	13.6	35,060.26	37,439.79	-6.3
Resident	35,599.97	62,305.68	40,535.09	-34.9	108,885.61	155,889.37	-30.1
Withholding	554,901.24	794,997.47	479,397.09	-39.6	1,201,934.57	1,208,316.60	-0.5
TOTAL	613,645.14	877,201.40	542,538.64	-38.1	1,345,880.44	1,401,645.76	-3.9
March							
Business	32,625.34	34,852.22	99,154.44	184.4	134,214.70	72,292.01	85.6
Resident	59,799.20	113,308.35	80,712.53	-28.7	189,598.14	269,197.72	-29.5
Withholding	591,954.77	707,260.46	607,040.98	-14.1	1,808,975.55	1,915,577.06	-5.5
TOTAL	684,379.31	855,421.03	786,907.95	-8.0	2,132,788.39	2,257,066.79	-5.5
April							
Business	200,522.41	191,045.97	176,315.88	-7.7	310,530.58	263,337.98	17.9
Resident	809,884.09	728,654.75	862,644.91	18.3	1,052,243.05	997,852.47	5.4
Withholding	483,267.01	551,253.30	637,504.53	15.6	2,446,480.08	2,466,830.36	-0.8
TOTAL	1,493,673.51	1,470,954.02	1,676,465.32	13.9	3,809,253.71	3,728,020.81	2.1
May							
Business	4,704.39	25,740.19	12,874.62	-49.9	323,405.20	289,078.17	11.8
Resident	46,281.83	119,338.61	46,350.96	-61.1	1,098,594.01	1,117,191.08	-1.6
Withholding	489,079.05	519,159.44	513,777.30	-1.0	2,960,257.38	2,985,989.80	-0.8
TOTAL	540,065.27	664,238.24	573,002.88	-13.7	4,382,256.59	4,392,259.05	-0.2

CITY OF MONTGOMERY
END OF MONTH REPORT
31 OCT 2017

	2015	2016	2017	2017 vs 2016	2017	2016	2017 vs 2016
	Month-to-date	Month-to-date	Month-to-date	Month percent	Year-to-date	Year-to-date	Year percent
June							
Business	53,214.95	42,163.54	57,881.76	37.2	381,286.96	331,241.71	15.1
Resident	45,207.48	122,100.35	186,385.35	52.6	1,284,979.36	1,239,291.43	3.6
Withholding	425,372.81	423,368.53	437,395.41	3.3	3,397,652.79	3,409,358.33	-0.3
TOTAL	523,795.24	587,632.42	681,662.52	16.0	5,063,919.11	4,979,891.47	1.6
July							
Business	43,778.14	18,719.00	10,152.50	-45.7	391,439.46	349,960.71	11.8
Resident	119,709.27	81,961.10	31,034.82	-62.1	1,316,014.18	1,321,252.53	-0.3
Withholding	436,937.69	577,287.79	591,148.05	2.4	3,988,800.84	3,986,646.12	0.0
TOTAL	600,425.10	677,967.89	632,335.37	-6.7	5,696,254.48	5,657,859.36	0.6
August							
Business	11,565.02	19,709.44	8,601.63	-56.3	400,041.09	369,670.15	8.2
Resident	65,336.37	47,088.52	39,243.33	-16.6	1,355,257.51	1,368,341.05	-0.9
Withholding	597,441.74	536,103.09	497,159.85	-7.2	4,485,960.69	4,522,749.21	-0.8
TOTAL	674,343.13	602,901.05	545,004.81	-9.6	6,241,259.29	6,260,760.41	-0.3
September							
Business	72,931.34	93,373.00	81,667.34	-12.5	481,708.43	463,043.15	4.0
Resident	95,946.78	115,684.48	165,638.12	43.1	1,520,895.63	1,484,025.53	2.4
Withholding	403,802.50	433,326.73	461,303.56	6.4	4,947,264.25	4,956,075.94	-0.1
TOTAL	572,680.62	642,384.21	708,609.02	10.3	6,949,868.31	6,903,144.62	0.6
October							
Business	49,493.62	40,579.17	36,282.61	-10.5	517,991.04	503,622.32	2.8
Resident	202,142.90	139,009.14	107,402.18	-22.7	1,628,297.81	1,623,034.67	0.3
Withholding	432,863.59	545,883.76	603,352.23	10.5	5,550,616.48	5,501,959.70	0.8
TOTAL	684,500.11	725,472.07	747,037.02	2.9	7,696,905.33	7,628,616.69	0.8

CITY OF MONTGOMERY
 END OF MONTH REPORT
 31 OCT 2017

	2015	2016	2017	2017 vs 2016	2017	2016	2017 vs 2016
	Month-to-date	Month-to-date	Month-to-date	Month percent	Year-to-date	Year-to-date	Year percent
November							
Business	22,468.50	7,528.54		-100.0	517,991.04	511,150.86	1.3
Resident	67,277.38	39,979.30		-100.0	1,628,297.81	1,663,013.97	-2.0
Withholding	571,953.31	465,732.30		-100.0	5,550,616.48	5,967,692.00	-6.9
TOTAL	661,699.19	513,240.14	0.00	-100.0	7,696,905.33	8,141,856.83	-5.4
December							
Business	54,542.86	60,137.53		-100.0	517,991.04	571,288.39	-9.3
Resident	109,929.28	195,267.92		-100.0	1,628,297.81	1,858,281.89	-12.3
Withholding	425,584.20	445,200.53		-100.0	5,550,616.48	6,412,892.53	-13.4
TOTAL	590,056.34	700,605.98	0.00	-100.0	7,696,905.33	8,842,462.81	-12.9

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 2, 2017

Present

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

Council Committee Members Present

Ken Suer, Chair
Laith Alfaqih
Mike Cappel

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

Review of 2nd Half Real Estate Taxes

Ms. Smiddy reported that the second half property tax collections have been received from the County Auditor. She explained that total collections for 2017 of \$6,220,146 are up \$496,358 or 8.67% compared to 2016 collections of \$5,723,788. General Fund property tax collections are up \$40,079 or 2.01%, Fire Levy collections are up \$5,471 or .31% and Tax Increment Financing Districts are up \$449,528 or 24.86%.

September 2017 Income Tax Reports

Ms. Smiddy explained that for the month of September 2017, the City's total income tax receipts were \$708,609, which is an increase of \$66,225 or 10.31% compared to the actual amount collected in September 2016 of \$642,384. Ms. Smiddy stated that in September 2017, net profits from businesses located within or doing business within Montgomery were \$81,667. This is a decrease of \$11,706 or 12.5% compared to September 2016 collections of \$93,373; however, business revenue remains 4.0% above the year-to-date 2016 collections.

Ms. Smiddy stated that revenues of \$165,638 were collected in September 2017 from residents living in Montgomery, which is an increase of \$49,954 or 43.1% compared to September 2016 collections of \$115,684. Year-to-date collections have increased to 2.4% above 2016 revenue.

Other Business

Ms. Smiddy distributed a letter received by Frost Brown Todd Attorneys regarding HB49 in relation to municipal tax code. She explained that the purpose of the letter is to state the intent of a number of Ohio municipalities to challenge the constitutionality of these amendments because of violation of the home rule law. She stated that Frost Brown Todd is filing the law suit on municipalities behalf and had provided a schedule of cost sharing to be considered. The cost to the City to become a named plaintiff in the action would be \$4,000 or the City could donate towards the lawsuit and not be named.

The Committee discussed the need for joining the lawsuit as a named plaintiff, donating to the action, or waiting to see gauge the support of other municipalities.

The Committee asked Ms. Smiddy to collaborate with Law Director, Terry Donnellon to track the support of the lawsuit and to update the Committee at the November meeting.

Minutes

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

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
September 5, 2017
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Adjournment

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

The Financial Planning Committee of Council was adjourned at 5:10 p.m.

Chair

DRAFT