

July 9, 2015

TO: Mayor and City Council Members

FROM: Matthew J. Vanderhorst, Acting City Manager *mjv*  
Department Heads

SUBJECT: Thursday Update

The following information is provided to you as a summary of activities for the week of July 6, 2015 and as an announcement of activities in the coming weeks:

1. As a reminder, City Council is scheduled to meet in Work Session on Wednesday, July 15 at 7:00 p.m. at City Hall.
2. The Financial Planning Committee of Council met on July 6 and received a report from the State Auditor's Office about the City's audited financial statements. The Committee also discussed the recommendations made by the State Auditor and potential remedies. Kelly Beach reported on the June 2015 Income Tax revenue. June tax revenue is down 1.9% but year-to-date collections are up by 4.5%.
3. Last week, Governor Kasich signed substitute House Bill 64 (HB64), finalizing the two-year state operating budget for 2016 and 2017. While the Governor did veto 44 line items prior to signing the bill into law, this did not include areas of the bill that were considered detrimental to Ohio municipalities. See attached article from the Columbus Dispatch that outlines how State revenues are being diverted from local municipalities.
4. Last Friday, the Safety Center had a visit from a thankful "customer" that had been involved in a serious car accident one year ago and has now fully recovered. She wanted to thank the police and fire personnel that responded to her incident, cut her out of the vehicle and treated her during the transport to the trauma center. We are happy that she is doing well and appreciate her taking the time to say "Thank You". Great job to all who were involved. Please see the attached photo.
5. Please see the attached thank you card from the Chamber of Commerce to Chief Wright thanking him, as well as Lt. Mark Stagge and Police Clerk Mike Young, for cooking and assisting with the corn roasting booth at the July 4<sup>th</sup> Festival.
6. On Tuesday, the HealthCare Benefits Committee had a follow-up meeting to review revised proposals from Anthem and Humana. The Committee has the difficult, but pleasant, dilemma of deciding between two good proposals in order to prepare its recommendation to City Council regarding upcoming group health insurance coverage renewals.
7. On Wednesday, Julie Prickett participated in an ICMA webcast called "Local Government Strategies to Address Rising Health Care Costs". Julie was part of a three member panel and she shared Montgomery's approach to managing health care costs through

collaborative efforts of the HealthCare Benefits Committee and shared organizational values such as stewardship.

8. Tracy Roblero met with a commercial real estate agent and a potential end user for the former Clark's Pharmacy building on Thursday. The potential end user is a financial institution that is looking at this site for their first location within Ohio. They are in their 'due diligence' phase and will be back in contact should they enter into an agreement to purchase the property.
9. The Police Department is co-hosting the July 2015 meeting of the Hamilton County Police Association on Thursday, July 9, at the Livingston Lodge in Indian Hill. This is one of the more popular meetings of the year and attendance is usually around 175 or more members. This meeting is an important networking opportunity that allows us to re-connect with law enforcement partners from across Hamilton County.
10. Prus Construction Company continues work on the 2015 Street Resurfacing Program as crews completed all catch basin repairs/replacements this week. Weather permitting, the asphalt milling and sub-base repairs are scheduled to begin the week of July 20 with the completion date for the project scheduled for August 24, 2015.
11. Crews from Barrett Paving Materials installed the concrete sidewalk on Montgomery Road this week and finished installing the adjacent segmental retaining wall as part of the Montgomery Road and Pfeiffer Road Improvement Project. Staff will continue to work with ODOT officials and Barrett Paving Materials representatives to establish a schedule for asphalt milling and final asphalt resurfacing.
12. Public works staff installed Major League Baseball pennants in the hanging baskets throughout the Heritage District to help promote and bring awareness to the upcoming All-Star game hosted by Cincinnati as well as the Chamber of Commerce sponsored event this week at The Green Diamond.
13. Work is currently underway in several areas of the Safety Center. The network cabling project has been successfully completed allowing much faster access to the City network. The phone system, which has recently been down due to its age, is being upgraded with new parts and we anticipate completion sometime this week. Finally, the basement dehumidifier is in the process of being replaced with a new unit after the old unit stopped functioning several weeks ago.
14. The fire department received a grant from the state of Ohio Division of Emergency Medical Services for 2015-2016 in the amount of \$3,500. The grant may be used for training and equipment for our personnel. We will use the grant for continuing education requirements for the EMTs and Paramedics, as well as for some equipment gaps that we have identified within the department. Funding for this grant comes from seat belt fines that law enforcement cites to drivers who do not wear their seat belts.

Should you have questions or concerns regarding this information, please do not hesitate to contact me.

C: Connie Gaylor, Administrative Coordinator  
Department Heads  
Terry Donnellon, Law Director

# Local governments get more state funding, but with a catch: Here are four takeaways



Ohio's new state budget calls for about \$70 million more in funding to local governments during the next two years. But lawmakers are diverting millions in funding to cities and large villages to give to townships and small villages and to pay for additional police training. (*Shari Lews, Columbus Dispatch*)

COLUMBUS, Ohio -- While local governments stand to gain \$70 million more in state funding during the next two years, most cities and large villages will see a chunk of that money redirected elsewhere.

The overall increase, to \$782.8 million in the next two years, comes because local funding is tied to an overall jump in state revenue. But in the newly passed state budget, lawmakers redirected millions away from those communities toward townships and small villages and to pay for more police training.

Even with the projected increase, local government funding during the next two years is expected to be more than \$623 million less than it was in 2008-2009, according to state statistics.

Communities use money from the local government fund to pay for general expenses, from road repair to fire and police departments.

Here are four takeaways about the changes and the impact they'll have:

**More money for police training and a use-of-force database:** The budget diverts \$17 million in local government funding to pay for a five-fold increase in the number of continuing training hours each law enforcement officer in the state must take, as well as a state database to track shootings involving officers.

Lawmakers have said it's only fair that local governments cover the cost of the increased police training, as their officers will be the ones who primarily benefit from it.

Local officials favor more police training hours. But Kent Scarrett of the Ohio Municipal League said it wouldn't be fair for municipalities to pay the entire cost, as the money would also pay to train officers who aren't with local departments, such as state troopers and park rangers.

**More cash for townships and small villages:** The budget gives an additional \$20 million to townships and \$2 million more to small villages to spend how they like.

The townships will likely use the money for road repair, as well as other things such as road salt for the winter and cemetery maintenance, said Matt DeTemple, executive director of the Ohio Township Association. As the money isn't guaranteed to continue after two years, DeTemple said, townships likely won't use it to hire permanent employees.

DeTemple said while his organization didn't push to divert money from cities and large villages, townships are "very grateful" for the added assistance. "Every little bit helps," he said.

**Local officials warn the changes may mean higher taxes:** That \$22 million extra to townships and small villages will come out of cities' and large villages' share of local government funding.

The diverted money, combined with years of local government funding cuts, could lead many communities to slash services or – more likely – raise property or income taxes, said Bratenahl Mayor John Licastro, chairman of the Northeast Ohio Mayors and City Managers Association.

Licastro said it was too soon to say whether the changes in the new budget would directly lead any communities to put a new tax levy on the ballot this fall. But he said if the trend in funding cuts continues, higher local taxes would be inevitable.

"We're concerned about what's going to be next," he said.

Tim Keen, director of the Office of Budget and Management, said it's not "inevitable that local taxes have to go up." Rather, he said, that's a decision that local officials have to make for themselves.

**There's disagreement about whether the changes are fair:** The money will be diverted specifically from a four-decade-old fund paid to the 550 or so Ohio communities with a municipal income tax.

The state has made such payments since a state income tax was set up in 1972, with the thinking that a statewide income tax makes it harder for communities to raise local income taxes.

But that thinking has "turned out to be a flawed premise," as local income tax revenues have risen "tremendously" and many communities have raised taxes in the past four decades, Keen said.

As a result, Keen said, lawmakers chose to move some of that money away to other places that still are tied to local governments.

Keen also noted that municipalities get a lot of state money in many ways besides the local government fund, such as gas tax revenue for roads, public library funding, and additional cash from Medicaid expansion.

Scarrett said that while local tax revenues are up since the early 1970s, the state's population has risen by about 900,000 during that time. He also said that by diverting funding, the state is going back on its promise to help local governments.

'I don't know how you can look at this and not interpret it as going back on the commitments that were previously agreed to and that our communities have depended upon," he said.

MONTGOMERY

FIRE DEPARTMENT

PARAMEDIC UNIT



Dear Paul,

On behalf of the Montgomery Ohio Chamber of Commerce I want to thank you for your help with the corn roasting at the Fourth of July Festival. You, Mike & Mark made everything so easy! I look forward to working with you again.

Sincerely,  
Carol J. Horley