



2009 Budget in Brief

Presented by:

Cheryl A. Hilvert-City Manager
and
James A. Hanson – Director

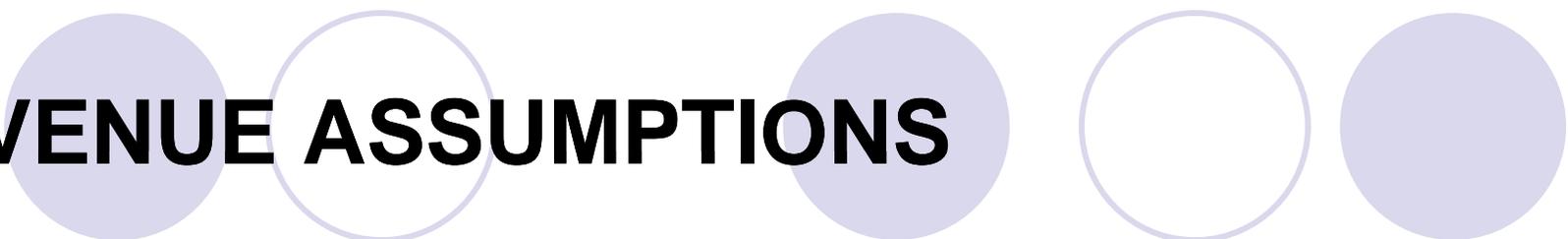
TOTAL BUDGET

| | |
|--------------------------|---------------|
| EST BEG BALANCE | \$ 22,565,483 |
| ESTIMATED REVENUES | \$ 27,557,806 |
| REQUESTED APPROPRIATIONS | \$ 30,081,551 |
| EST END BALANCE | \$ 20,041,738 |

Total Appropriations represent an increase of \$10,149,682 or 50.9% over 2008 Appropriations of \$19,922,869, increase is primarily due to the \$9MM programmed for the Vintage Club Development.

2008 Budget Priorities

- **The communication and citizen engagement programs of “Promote Montgomery” and “Montgomery Citizens Leadership Academy” were successfully implemented.**
- **The defeasance of the bonds to finance the Ohio National Tax Increment Financing District allowed the City to extinguish the bonded debt 7 years early.**
- **The completion of the Park Improvement Study facilitates the additional planning of events programming and capital investment programmed in the 2009 budget.**
- **As a result of General Fund balance exceeding its target fund balance, an additional \$1MM was programmed in the 2008 budget for road overlay. This program of “stepping up” the City’s investment in infrastructure is programmed to continue in years 2010 and 2011.**
- **Technology improvements will soon begin with the optic fiber connection between City Hall and the Safety Center and creation of wireless “hot spots” in selected locations.**

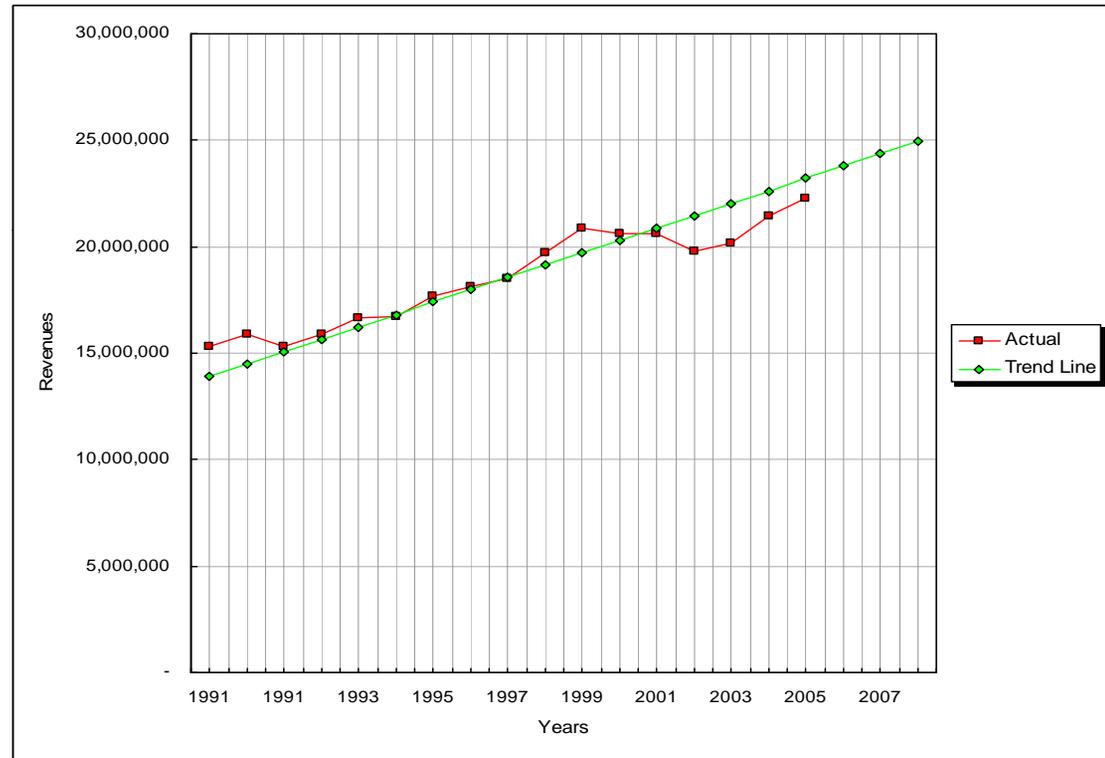


REVENUE ASSUMPTIONS

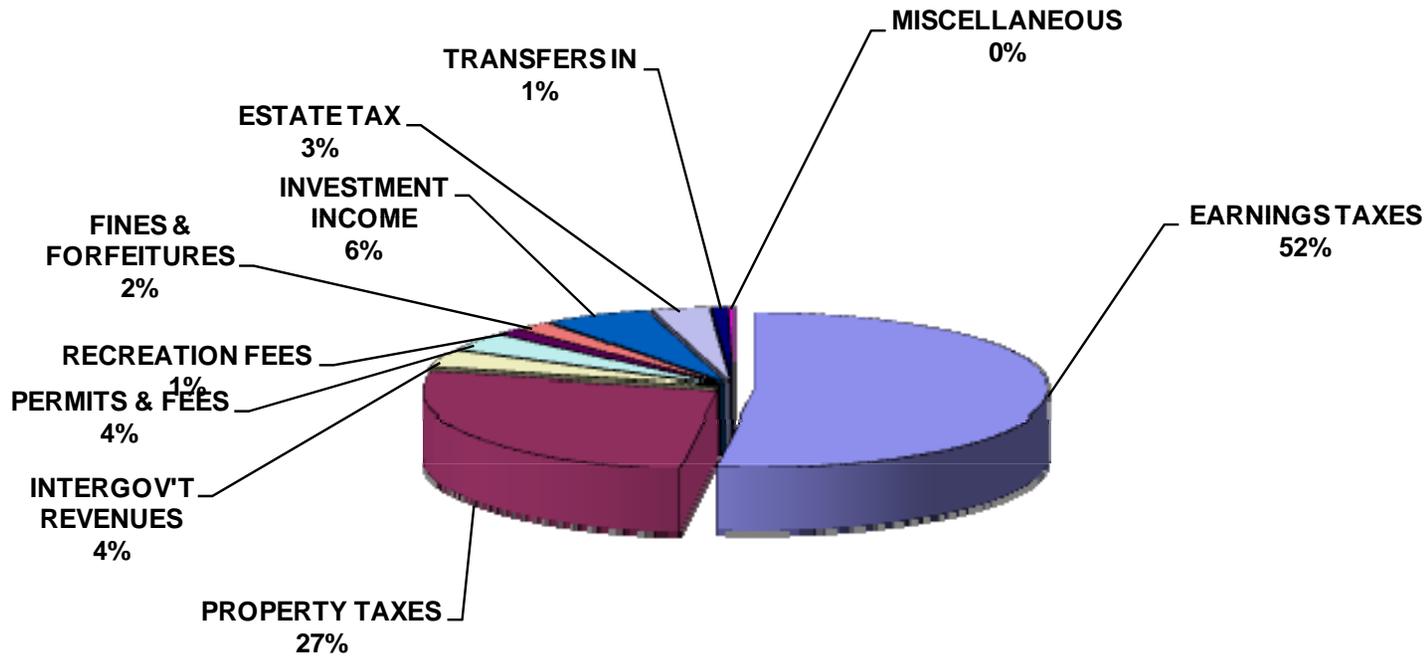
- **Earnings Taxes are estimated at \$7.25M or an 3% increase over 2008 estimated collections.**
- **Real/Personal Property tax are estimated to increase 12.8% based on information provided by the County Auditor's Office.**
- **ULGF (Undivided County Local Gov't) are estimated at approximately \$258,000**
- **Inheritance Taxes budgeted at \$300k in 2009 with this source of funding terminating in 2010.**
- **Investment Income is estimated to generate a 4% return on investment.**
- **All other revenue sources including the Gasoline Tax and Motor Vehicle Registration Fees are estimated to remain flat.**

EARNINGS TAXES-TOTAL HISTORICAL & PROJECTED

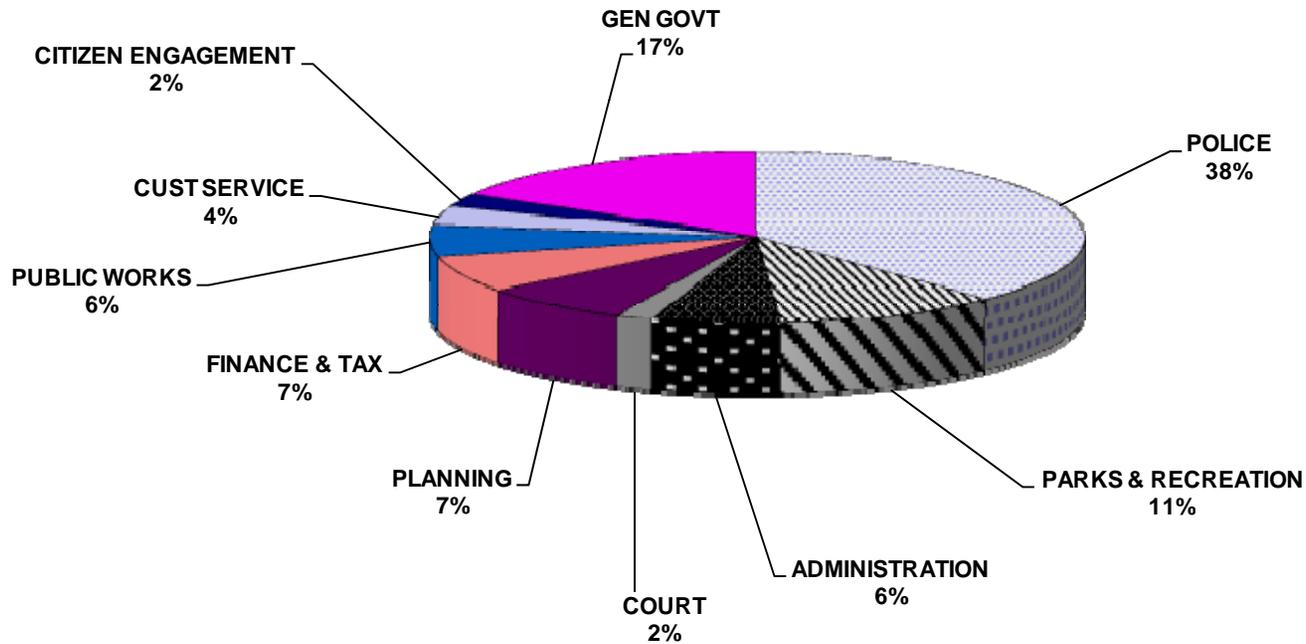
| | |
|------|-----------|
| 2001 | 5,041,316 |
| 2002 | 5,516,954 |
| 2003 | 5,846,363 |
| 2004 | 5,841,251 |
| 2005 | 6,100,942 |
| 2006 | 6,434,747 |
| 2007 | 6,425,182 |
| 2008 | 7,196,204 |
| 2009 | 7,255,330 |
| | |



GENERAL FUND REVENUES BY CATEGORY



GENERAL FUND EXPENDITURES BY CATEGORY



Targeted Fund Balances



- **General Fund - established as 6-12 months of operating expenditures.**
- **Capital Improvement Fund - established as \$1 million.**
- **General Bond Retirement Fund - established as one year of debt service payments for principal and interest.**
- **Arts & Amenities Fund - established at \$376,237, the corpus of original donation.**

GENERAL FUND

| | |
|--------------------------------------|---------------|
| EST BEG BALANCE | \$ 11,443,192 |
| BUDGETED REVENUES | \$ 9,333,461 |
| BUDGETED EXPENDITURES | \$ 10,408,084 |
| EST END BALANCE | \$ 10,368,569 |
| RESERVE BALANCE | \$ 10,408,084 |
| NET RESERVE VARIANCE | \$ (39,515) |
| Months in Reserve Fund Balance 11.97 | |

General Fund Appropriations represent an increase of \$1,202,451 or 13% over 2008 Revised Estimates of \$9,205,633.

Estimated revenues represent an increase of \$839,640 or 9% over 2008 estimated revenues of \$8,943,821.

Fund 324 – General Bond Retirement

| | |
|--------------------|-------------|
| EST BEG BAL | \$1,117,415 |
| ESTIMATED REVENUES | \$699,427 |
| TOTAL AVAILABLE | \$1,816,842 |
| DEBT EXPENDITURES | \$583,939 |
| EST END BAL | \$1,232,903 |
| RESERVE BALANCE | \$583,939 |
| VARIANCE | \$648,964 |

- **8% of Earnings Tax Revenues are allocated to this fund.**
- **GO Debt Outstanding 12/2008 was \$3.2MM reduces to \$1.1MM by 2013.**
- **Adequate reserve balance provides liquidity for future capital projects financed with debt.**

Fund 410 – Capital Improvement Fund

| | |
|----------------------|-------------|
| EST BEG BAL | \$3,173,149 |
| ESTIMATED REVENUES | \$1,941,482 |
| TOTAL AVAILABLE | \$5,114,631 |
| CAPITAL EXPENDITURES | \$1,712,500 |
| EST END BAL | \$1,974,711 |
| RESERVE BALANCE | \$1,000,000 |
| VARIANCE | \$974,711 |

- **25% of Earnings Tax Revenues are allocated to this fund.**
- **An additional \$1MM is programmed for the annual street overlay program thru year 2011.**
- **See CIP for complete list of projects budgeted in 2009**

Fund 485 – Arts & Amenities Fund

- Revenues generated from Sister City Sales and Investment Income.
- Two projects planned for 2009-People-to-People Exchange and a public art project

| | |
|--------------------|-----------|
| EST BEG BAL | \$621,937 |
| ESTIMATED REVENUES | \$44,750 |
| TOTAL AVAILABLE | \$666,687 |
| EST EXPENDITURES | \$91,900 |
| EST END BAL | \$574,787 |
| RESERVE BALANCE | \$376,237 |
| VARIANCE | \$198,550 |

Fund 223 – Fire Levy Fund

| | |
|-----------------------|-------------|
| EST BEG BAL | \$3,253,274 |
| ESTIMATED REVENUES | \$2,343,913 |
| TOTAL AVAILABLE | \$5,795,737 |
| EST EXPENDITURES | \$2,504,828 |
| EST END BAL | \$3,092,359 |
| MONTHS IN EXPENDITUES | 14 |
| | |

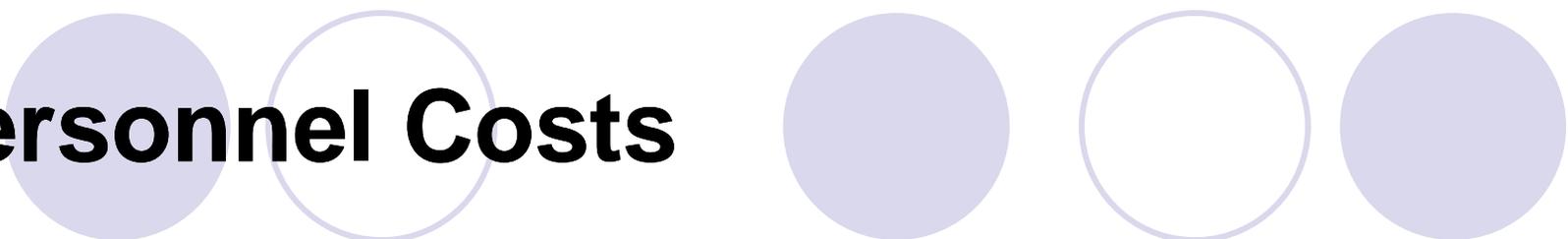
- **Not a Targeted Cash Balance Fund but requires review to determine the need for levy renewal or levy replacement.**
- **Revenues generated from Property Taxes.**
- **Property taxes for real estate estimated to increase approx 12% per county auditor report on reappraisals.**

TOTAL REVENUES & EXPENDITURES

| | 2009 Budget | 2008 Estimate | Change |
|--------------------|----------------|------------------|---------------|
| Total Revenues | \$ 27,557,806 | \$ 17,000,444 | \$ 10,557,362 |
| Total Expenditures | \$ 30,072,551 | \$ 17,000,444 | \$ 13,072,107 |

- **Single largest contributor to total revenues and expenditures is the \$9MM programmed for the Vintage Club TIF.**
- **The balance of the increase in total revenues can be attributed to a estimated 3% increase in Earnings Tax and a 12.8% increase in Property Taxes.**
- **The balance of increases in the total expenditures are in both operating an capital spending:**
 - **Increased Personnel Costs both in salary and benefits,**
 - **Increased Energy Costs for gas, diesel and heating fuels,**
 - **“Stepped Up” road overly program, and**
 - **Capital projects associated with Park Study.**

Personnel Costs



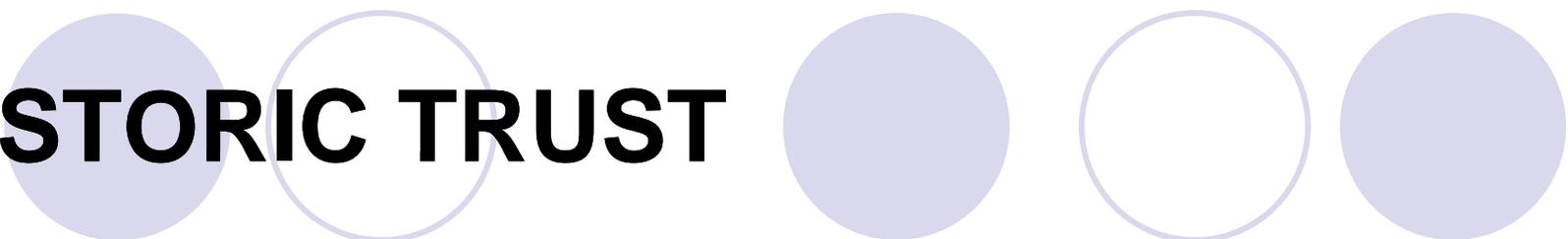
- **IAFF (Fire) labor agreement expires in 2009**
- **FOP labor agreement thru 2010**
- **AFSCME goes to factfinding later this month**
- **27 pays (normally 26) has been budgeted in 2009 budget resulting in a 3.8% in salary and related benefits.**
- **As a result of caps on health care premiums, the City's cost of medical coverage increased 12% over last year's plan. In addition, the Health Benefit Committee was successful in moving more employees into the HDHP/HSA, 56 employees in 2008 compared to 19 in 2007.**

PARK IMPROVEMENT STUDY

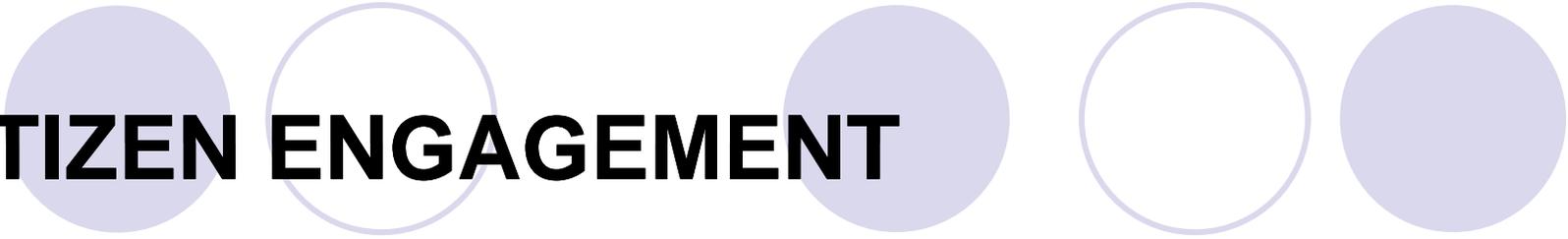
- **\$1,090,000 programmed over 5 years. Below projects for 2009:**

| | |
|---|--------------|
| Play Structure- Solid Surfacing | \$25,000.00 |
| Heater | \$40,000.00 |
| Utilities | \$10,000.00 |
| Resurface tennis courts at Swaim Park | \$40,000.00 |
| Pioneer Park Pond Project | \$50,000.00 |
| Resurface basketball courts at Swaim Park | \$7,000.00 |
| Walkway enhancements at Montgomery Park | \$85,000.00 |
| All season restroom- Weller Park & Swaim Park | \$70,000.00 |
| Johnson Nature Preserve enhancements | \$10,000.00 |
| Baseball & Soccer field repairs | \$25,000.00 |
| JNP reforestation project | \$5,000.00 |
| JNP Commemoration Event- Tornado | \$10,000.00 |
| | <hr/> |
| | \$377,000.00 |

HISTORIC TRUST



- **\$70,000 Programmed for siding, roof, brick and mechanical repairs.**
- **There is a concern that revenues are not keeping up with expenses in the Historical Trust Fund. As a result, it may be necessary to subsidize this fund with transfers from the General Fund in future years.**



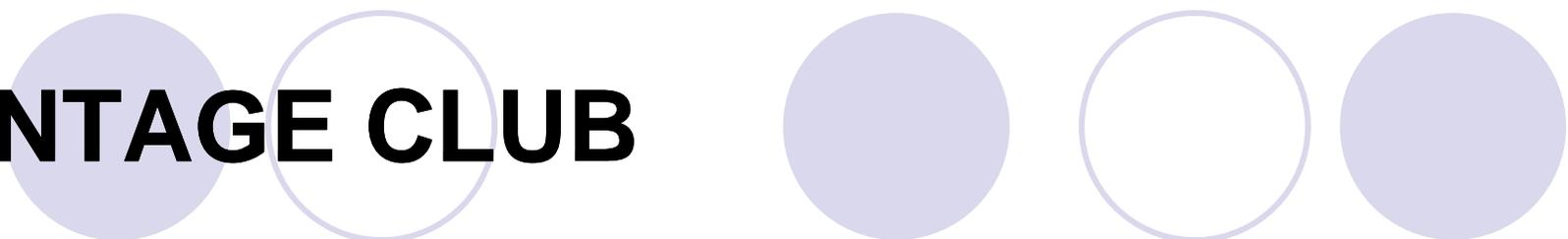
CITIZEN ENGAGEMENT

- **As part of the City's strategic plan, a full-time position, Communications Manager, has been programmed into the 2009 Budget.**
- **The position has been created to oversee the Citizen Engagement and Outreach Program and the continuation of the Montgomery Citizen Leadership Academy.**
- **The costs associated with the activities of the Citizen Engagement will be captured in a separate cost center in the budget.**

ENERGY CONSERVATION

- **The Energy Management Team developed a Fuel Conservation Policy which promotes practices to reduce the City's fuel consumption in vehicles. The policy actually benchmarks a 5% reduction.**
- **Gas and diesel budget for 2006 and 2007 were \$80,618 and \$95,087, respectively. For the 1st 7 months o 2008 they were \$77,233 and it is anticipated that the City will spend \$147,000 for the year.**
- **The 2009 budget has programmed \$179,300 for gas and diesel purchases based on \$5 per gallon for gas and \$5.50 for diesel.**

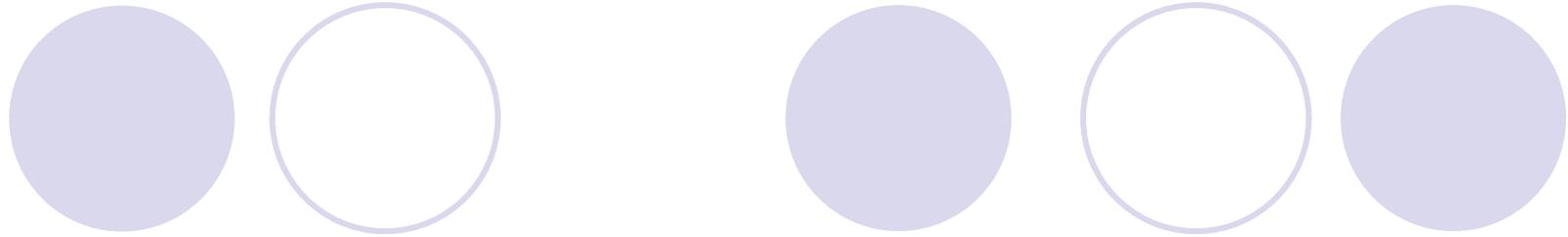
VINTAGE CLUB



- Programmed in the 2009 Budget is the construction of public parking garage at the Vintage Club. The cost is estimated to be approx. \$9MM. The second garage is programmed in 2010 at a estimated cost of \$8MM.
- Short-term notes would be issued to initially fund the project from the revenues of the Tax Increment Financing District. Once the construction of the garages are completed bonds would be issued to permanently finance the project.

DOWNTOWN IMPROVEMENT FUND

- This fund has been re-introduced in anticipation of earmarking monies for the redevelopment of the City's Gateway District.
- The 2009 Budget programs \$1M to be transferred into this fund from the General Fund.
- The monies would be programmed for land acquisition of improvements in the Gateway or Heritage Districts of the City at a later date.



2009 Annual Budget Time Line

- November Business Meeting – 2nd Reading
- December - Public Hearing Published
- December 12th-Public Hearing and the 3rd reading and passage by Council