



# 2010 Budget in Brief

## City of Montgomery, Ohio

Gerri Harbison, Mayor

Ken Suer, Vice Mayor

Mark Combs, Council Member

Todd Steinbrink, Council Member

Barry Joffe, Council Member

Lynda Roesch, Council Member

Vicki Hirsch, Council Member

Cheryl A. Hilvert, City Manager

James A. Hanson, Finance Director

# TOTAL 2010 BUDGET

EST BEG BALANCE	\$ 25,903,074
ESTIMATED REVENUES	\$ 26,554,112
REQUESTED APPROPRIATIONS	\$ 27,689,229
EST END BALANCE	\$ 24,767,967

**Total 2010 Appropriations represent an increase of \$8,680,548 or 45% over 2009 Appropriations of \$19,008,681, increase is primarily due to the \$8M programmed for the Vintage Club Development.**

# Accomplished in the 2009 Budget

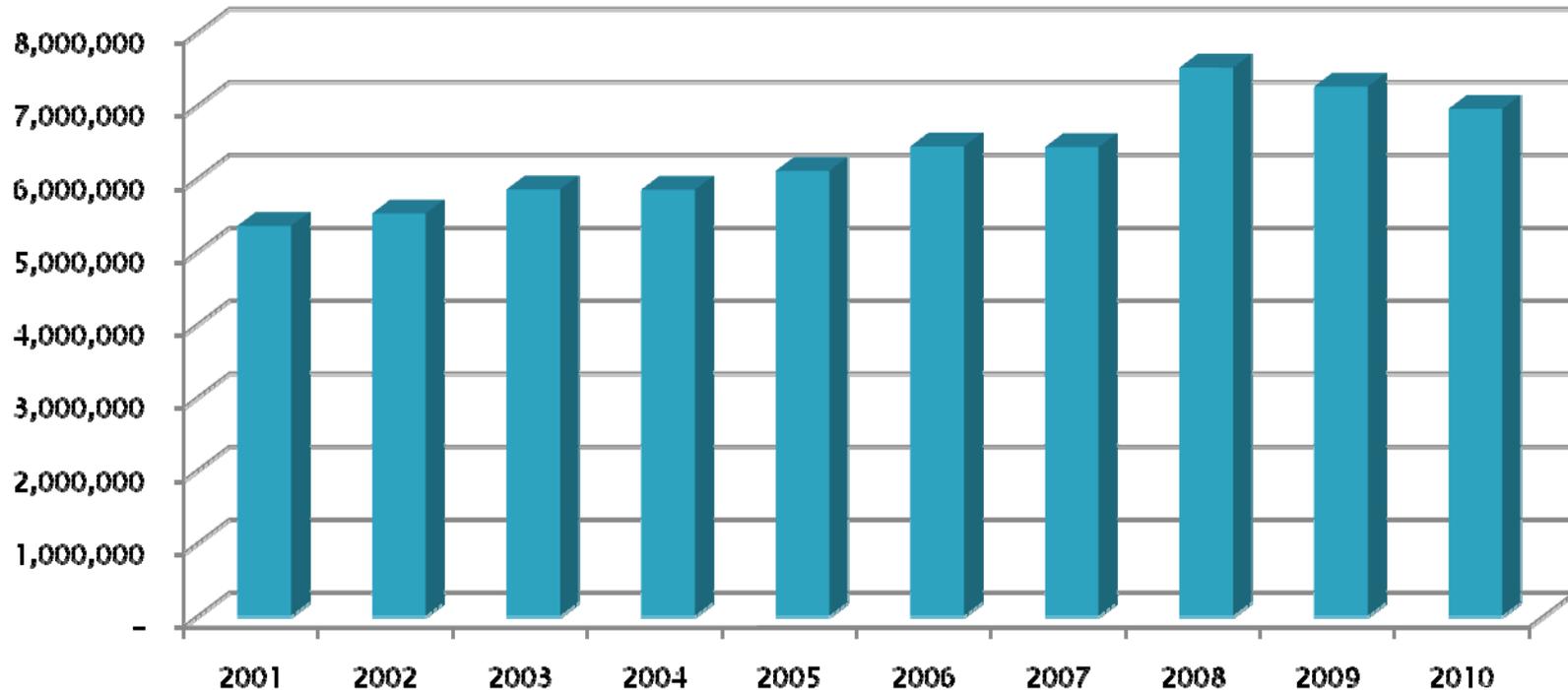
- ▶ The communication and citizen engagement programs of “The District” and “Montgomery Citizens Leadership Academy” were successfully implemented and continued, respectively.
- ▶ The Streetscape of Montgomery Road in the Heritage District and the improvements at Neully-Plaisance.
- ▶ The continued program to fund park improvements and facilities. The planning of additional events programmed through the 2009 budget.
- ▶ The General Fund balance exceeded its target fund balance, resulted in an additional \$1MM being programmed in the 2009 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 including the optic fiber connection between City Hall and the Safety Center and creation of wireless “hot spots” in selected locations.

# REVENUE ASSUMPTIONS

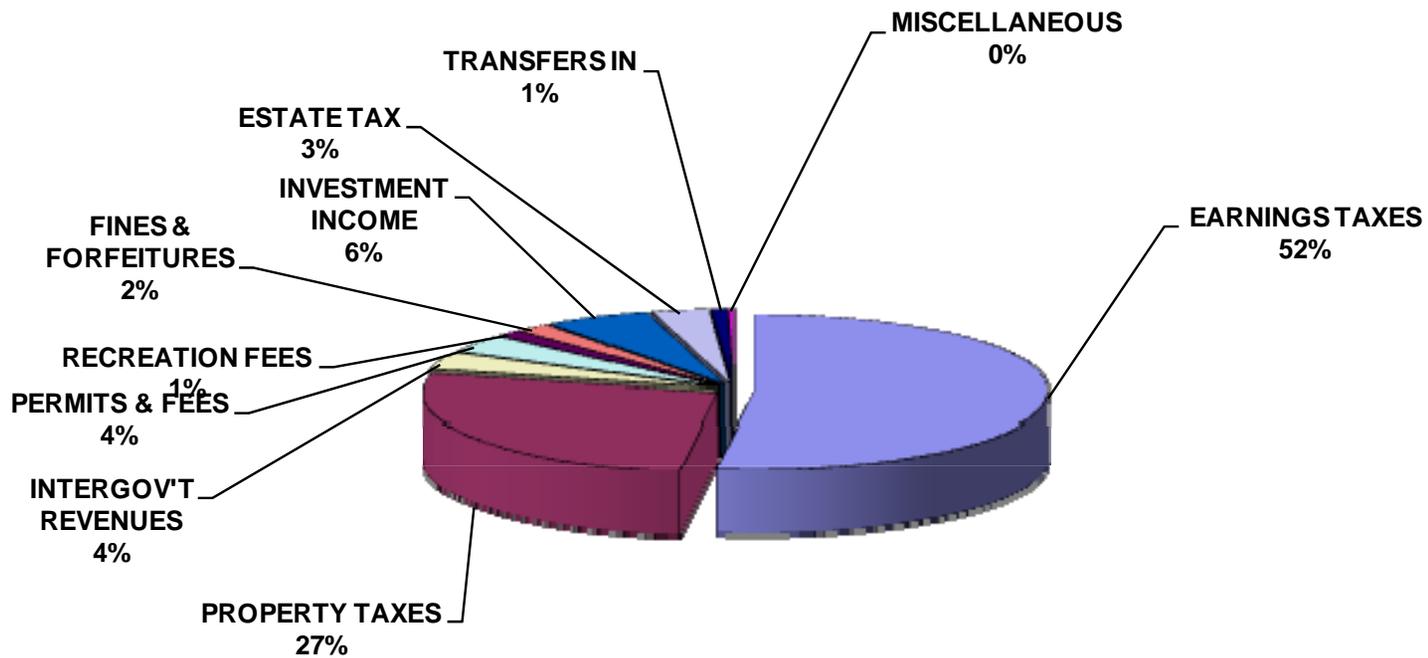
- ▶ Earnings Taxes are estimated at \$6.95M or a 4% decrease from 2009 estimated collections.
- ▶ Real Estate Property tax are estimated to remain relatively flat from 2009.
- ▶ ULGF (Undivided County Local Gov't) are estimated at approximately \$208,706, same as the 2009 revenue estimate.
- ▶ Inheritance Taxes budgeted at \$300k in 2010.
- ▶ Investment Income is estimated to generate a 2% return on investment.
- ▶ All other revenue sources including the Gasoline Tax and Motor Vehicle Registration Fees are estimated to remain flat.

# EARNINGS TAXES ACTUAL & ESTIMATED

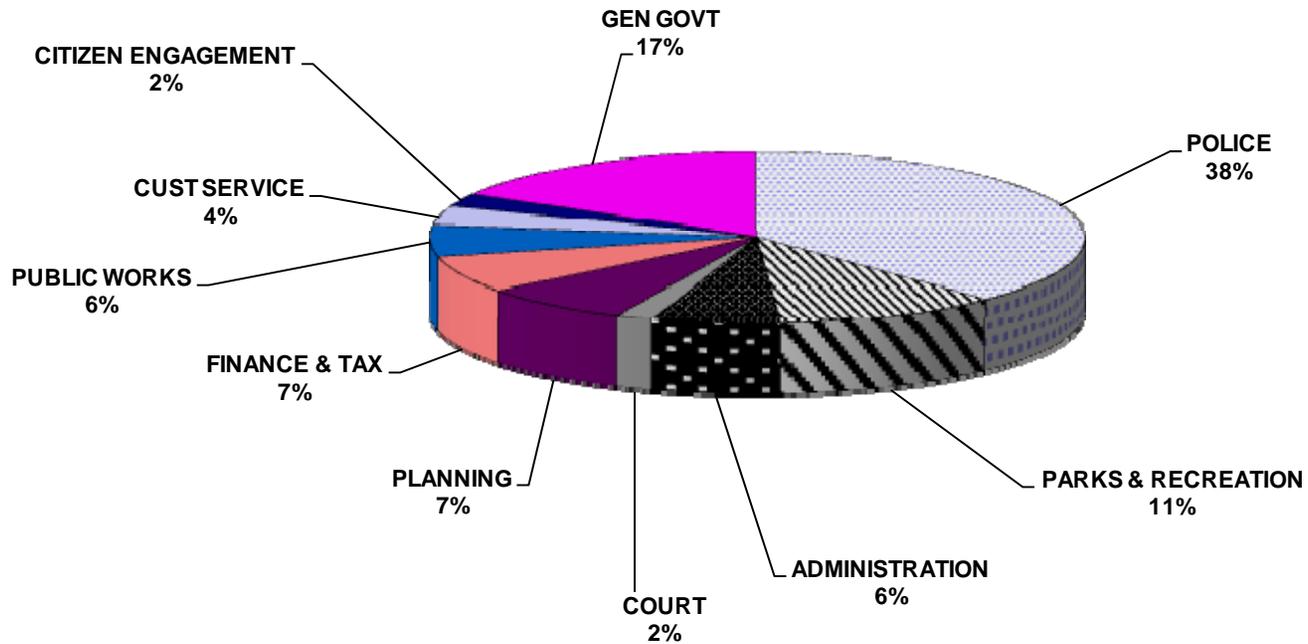
**Earnings Tax Revenues**  
**Actual 2001-08 Estimated 2009-10**



# 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	\$ 12,800,878
BUDGETED REVENUES	\$ 8,850,159
BUDGETED EXPENDITURES	\$ 10,385,534
EST END BALANCE	\$ 11,265,499
RESERVE BALANCE	\$ 10,385,534
NET RESERVE VARIANCE	\$ 879,965
Months in Reserve Fund Balance 13.02	

**General Fund Appropriations represent an increase of \$537,553 or 6% over 2009 revised estimates of \$8,330,781.**

**Estimated revenues represent an decrease of \$1,161,333 or 12% from 2009 estimated revenues of \$10,011,492.**

# Fund 324 – General Bond Retirement

<b>EST BEG BAL</b>	<b>\$1,264,122</b>
<b>ESTIMATED REVENUES</b>	<b>\$556,000</b>
<b>TOTAL AVAILABLE</b>	<b>\$1,820,122</b>
<b>DEBT EXPENDITURES</b>	<b>\$560,789</b>
<b>EST END BAL</b>	<b>\$1,259,333</b>
<b>RESERVE BALANCE</b>	<b>\$560,789</b>
<b>VARIANCE</b>	<b>\$698,544</b>

- ▶ **8% of Earnings Tax Revenues are allocated to this fund.**
- ▶ **GO Debt Outstanding 12/2009 was \$2,785,000 reduces to \$830,000 by 2014.**
- ▶ **Adequate reserve balance provides liquidity for future capital projects financed with debt.**

# Fund 410 – Capital Improvement Fund

EST BEG BAL	\$2,643,817
ESTIMATED REVENUES	\$3,400,030
TOTAL AVAILABLE	\$6,897,427
CAPITAL EXPENDITURES	\$2,382,185
EST END BAL	\$3,503,362
RESERVE BALANCE	\$1,000,000
VARIANCE	\$2,503,362

- ▶ 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.
- ▶ A public art project at the Corner of Montgomery and Hopewell Roads planned for 2010.

<b>EST BEG BAL</b>	<b>\$583,521</b>
<b>ESTIMATED REVENUES</b>	<b>\$25,700</b>
<b>TOTAL AVAILABLE</b>	<b>\$609,221</b>
<b>EST EXPENDITURES</b>	<b>\$25,300</b>
<b>EST END BAL</b>	<b>\$521,621</b>
<b>RESERVE BALANCE</b>	<b>\$376,237</b>
<b>VARIANCE</b>	<b>\$145,384</b>

# Fund 223 – Fire Levy Fund

EST BEG BAL	\$4,035,584
ESTIMATED REVENUES	\$2,325,432
TOTAL AVAILABLE	\$6,361,016
EST EXPENDITURES	\$2,150,858
EST END BAL	\$4,210,158
MONTHS IN EXPENDITUES	23

- ▶ 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 remain flat from 2009 to 2010.

# Fund 261 –Street Construction, Maintenance & Repair Fund

EST BEG BAL	\$973,654
ESTIMATED REVENUES	\$946,700
TOTAL AVAILABLE	\$1,920,354
EST EXPENDITURES	\$1,023,278
EST END BAL	\$897,076
MONTHS IN EXPENDITUES	11

- ▶ Not a Targeted Cash Balance Fund but requires review to determine the need for adequate sources of funding to maintain City roads and highways.
- ▶ Revenues generated from Gasoline Tax , Vehicle Registration Fees, transfers from General and Environmental Impact Funds.
- ▶ The personnel allocated to this cost center have been realigned in the 2010 budget to truly reflect the cost associated with road maintenance.

# TOTAL REVENUES & EXPENDITURES

	2010 Budget	2009 Estimate	Change
Total Revenues	\$ 26,554,122	\$ 18,918,083	\$ 7,636,039
Total Expenditures	\$ 27,689,229	\$ 19,008,681	\$ 8,680,548

- Single largest contributor to total revenues and expenditures is the \$8MM programmed for the Vintage Club TIF.
- The decrease in total revenues can be attributed to reduction in Earnings Tax , Investment Income and Local Government Funds.
- The balance of increases in the total expenditures are in both operating an capital spending:
  - Increased Personnel Costs both in salary and health care benefits,
  - Increased Energy Costs for gas, diesel and heating fuels,
  - “Stepped Up” road overlay program, and other capital improvements.

# Personnel Costs

- ▶ FOP(Police) labor agreement expires in 2010
- ▶ AFSCME (Public Works) agreement thru 2011
- ▶ IAFF (Fire) labor agreement thru 2012
- ▶ Normal 26 pays (Versus 27 in 2009) have been programmed into the 2010 budget .
- ▶ As a result of caps on health care premiums, the City's cost of medical coverage increased 15% (total premium increase was 20%) over last year's plan. In addition, the Health Benefit Committee was successful in moving all employees into the HDHP/HAS.

# PARK IMPROVEMENTS

- ▶ Programmed over 5 years. Below projects for 2010:

Asphalt Path Repairs	\$10,000.00
All season restrooms-Pioneer and Montgomery Parks*	\$75,000.00
Johnson Nature Preserve enhancements*	\$12,000.00
Parking Lot Repairs-Various Parks	\$9,000.00
Resurface Basketball Courts*	\$7,000.00
Resurface tennis Courts-Pfeiffer Park*	\$40,000.00
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	\$153,000.00

\* Recommendation of 2008 Park Improvement Study

# HISTORIC TRUST

- ▶ **\$10,000 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 of \$25,000 from the General Fund in budget year 2011 through 2014.**

# CITIZEN ENGAGEMENT

- ▶ **A separate cost center has been established to fund the position of Communications Manager and the activities of this office. The position is responsible to oversee the Citizen Engagement and Outreach Program and the continuation of the Montgomery Citizen Leadership Academy, as well as, serving as the City's public information officer.**

# ENERGY CONSERVATION

- ▶ The Energy Management Team will be working to implement the recommendations from the City's energy audit on the City Hall building, The Safety Center , Service Building and the Annex.
- ▶ Gas and diesel actual for 2006, 2007 and 2008 were \$80,618, \$95,087 and \$138,819, respectively. As a result of some of the City's Fuel Conservation Policy, fuel costs are programmed for \$130,350 for 2010.
- ▶ The team will also consider changing out the parking lot lighting at the Safety Center with a LED lighting which will reduce energy and maintenance costs providing a less than 5 year payback on investment.

# VINTAGE CLUB

- Programmed in the 2010 Budget is the construction of public parking garage at the Vintage Club. The cost is estimated to be approx. \$8MM. The second garage is programmed in 2011 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.

# OHIO NATIONAL TIF FUND

- ▶ This fund was used to service debt on the Ohio National TIF debt which was defeased in 2008. The fund as of December 31, 2009 will have \$946,763 remaining as a fund balance. Per state law these funds may only be used for improvements in the TIF district.
- ▶ As a result, \$610,000 has been programmed in the 2010 budget for improvements in and around Pfeiffer Road near the Ohio National HQ.

# COMPENSATED ABSENCES FUND

- ▶ This fund has been programmed in the 2010 budget in anticipation of earmarking monies and setting aside funds for the payment of accrued vacation and sick leave due to employees at retirement.
- ▶ The 2010 Budget programs \$110,450 to be transferred into this fund.

# *2010 Annual Budget Time Line*

- ▶ September 29<sup>th</sup>– Departmental Budget Meeting with Council.
- ▶ October 7<sup>th</sup>–1<sup>st</sup> Reading
- ▶ November 4<sup>th</sup>– 2<sup>nd</sup> Reading
- ▶ December 2<sup>nd</sup>–3<sup>rd</sup> Reading
- ▶ December 16<sup>th</sup>–Appropriations to amend 2009 Budget.