



2014 Budget in Brief

City of Montgomery, Ohio

Ken Suer, Mayor

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TOTAL 2014 BUDGET

EST BEG BALANCE	\$ 31,981,340
ESTIMATED REVENUES	\$ 17,464,622
REQUESTED APPROPRIATIONS	\$ 18,619,752
EST END BALANCE	\$ 30,824,810

Total 2014 Appropriations represent a decrease of \$11,315,044 or 37.7% under 2013 Total Appropriations of \$29,934,796, the result of a supplemental appropriation the Vintage Club Project.

TOTAL REVENUES & EXPENDITURES

2013 ESTIMATE COMPARED TO 2014 PROPOSED BUUDGET

	2014 Budget	2013 Estimate	
Total Revenues	\$ 17,424,622	\$ 31,077,780	\$ (13,653,158)
Total Expenditures	\$ 18,619,752	\$ 29,934,796	\$ (11,315,044)

- A majority of decrease in total revenues can be attributed to the bond sale associated with the Vintage Club bonds and to a lesser degree to reductions in estate tax , LGF and reduced property tax collections.
- The decrease in the total expenditures are mostly attributed to construction of the road Improvements and the garage @ the Vintage Club which was programmed in the 2013 budget.



TOTAL REVENUES & EXPENDITURES

2013 ANNUAL BUDGET COMPARED TO 2014 PROPOSED BUUDGET

	2014 Budget	2013 Budget	Change
Total Revenues	\$17,424,622	\$ 16,517,147	\$ 907,475
Total Expenditures	\$18,619,752	\$ 18,988,792	\$ (369,040)

- The increase in total revenues can be attributed to increases in income tax, TIF and property tax revenues.
- The marginal decrease in the total expenditures are attributed to maintaining stable personnel costs.



IMPACT OF STATE BUDGET & COUNTY REAPPRAISAL

- ▶ State Budget:
 - ▶ Reduced the Local Government Fund 50%
 - ▶ Eliminated the Estate Tax for 2013 and on.
- ▶ The 2011 reappraisal by Hamilton County reduced the City's assessed valuation from \$523 M to \$481M which reduced property tax collections approx. \$200,000 combined for the General and Fire funds.
- ▶ Total anticipated revenue loss from 2012 levels to 2014 is approx. \$1.5M. However, the reallocation of the income tax replaces \$650,000 of reduced revenues.

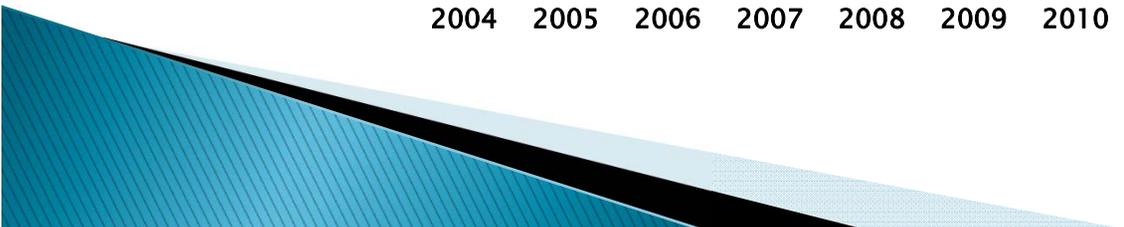
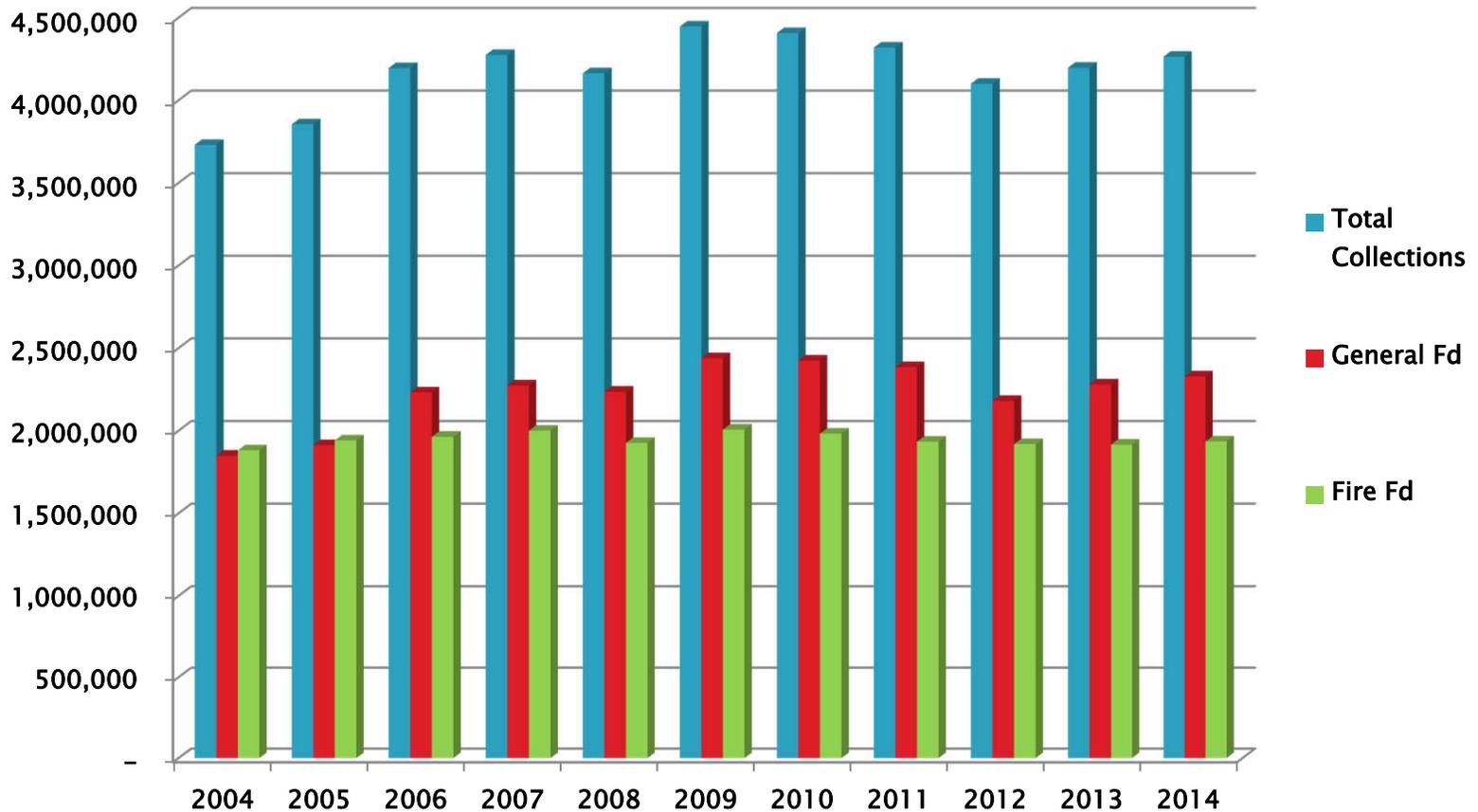


REVENUE ASSUMPTIONS

- ▶ Income Taxes are estimated at \$7.7M, 1% over the amount estimated for 2013 estimated collections.
- ▶ Real Estate Property tax are estimated to be 2% or \$40,000 more than 2013.
- ▶ Total Local Gov't Fund (LGF) revenues are estimated at \$142,000.
- ▶ Estate Taxes budgeted at \$0.
- ▶ Investment Income is estimated to generate a 1% return on investment.
- ▶ All other revenue sources including the Gasoline Tax and Motor Vehicle Registration Fees are estimated to remain flat.

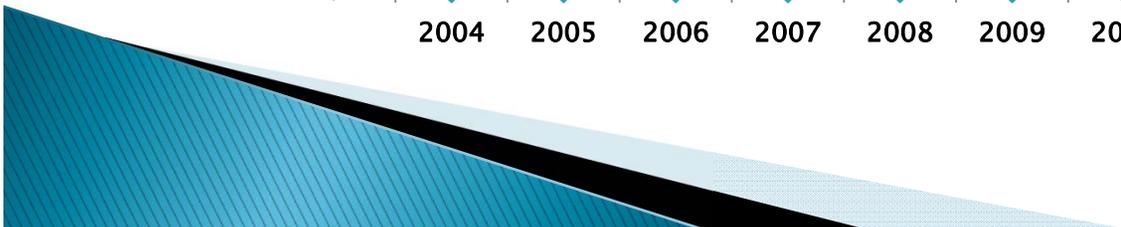
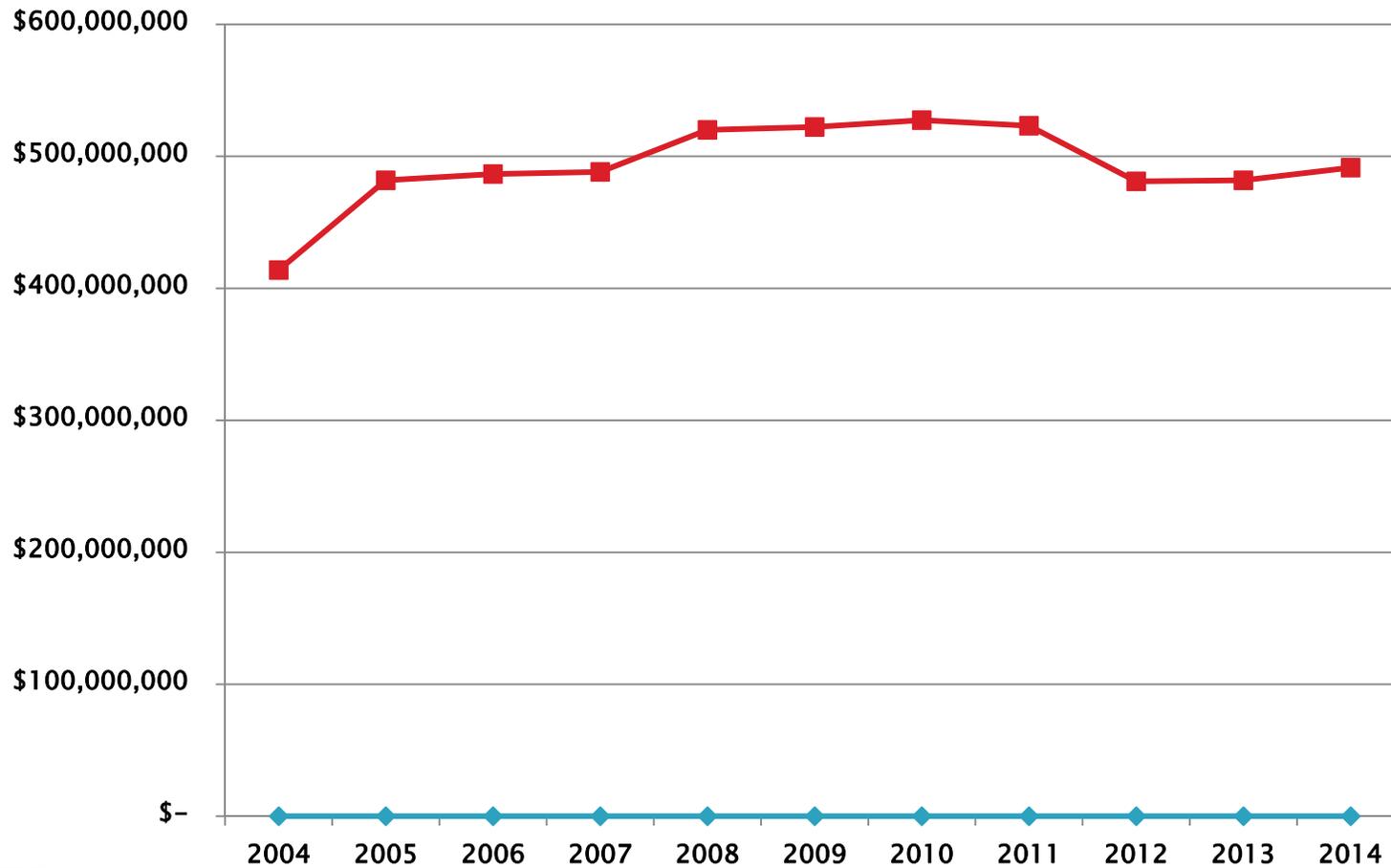
PROPERTY TAX COLLECTIONS

ACTUAL 2004-12 & ESTIMATED 2013-14



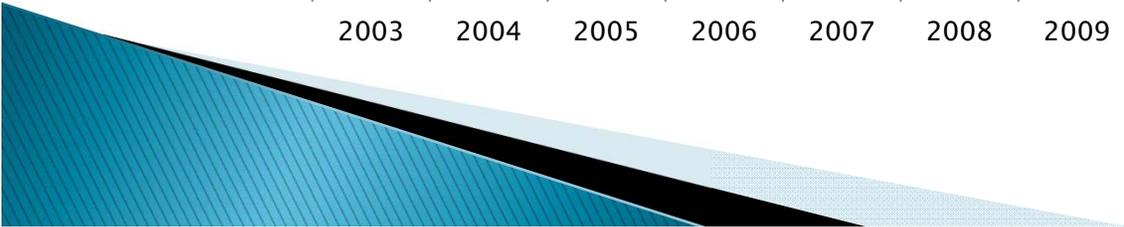
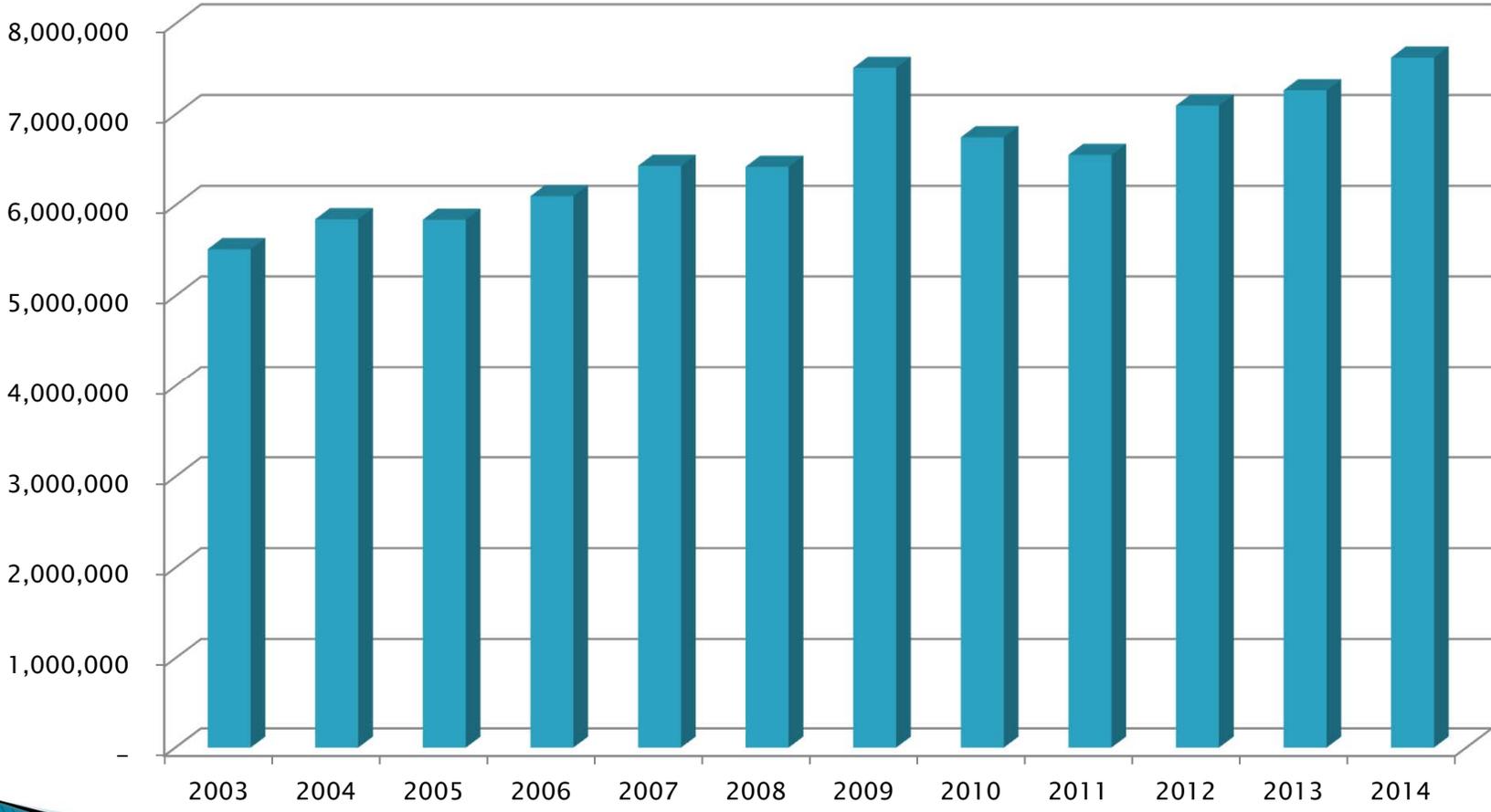
ASSESSED VALUATION

ACTUAL 2004-12 & ESTIMATED 2013-14

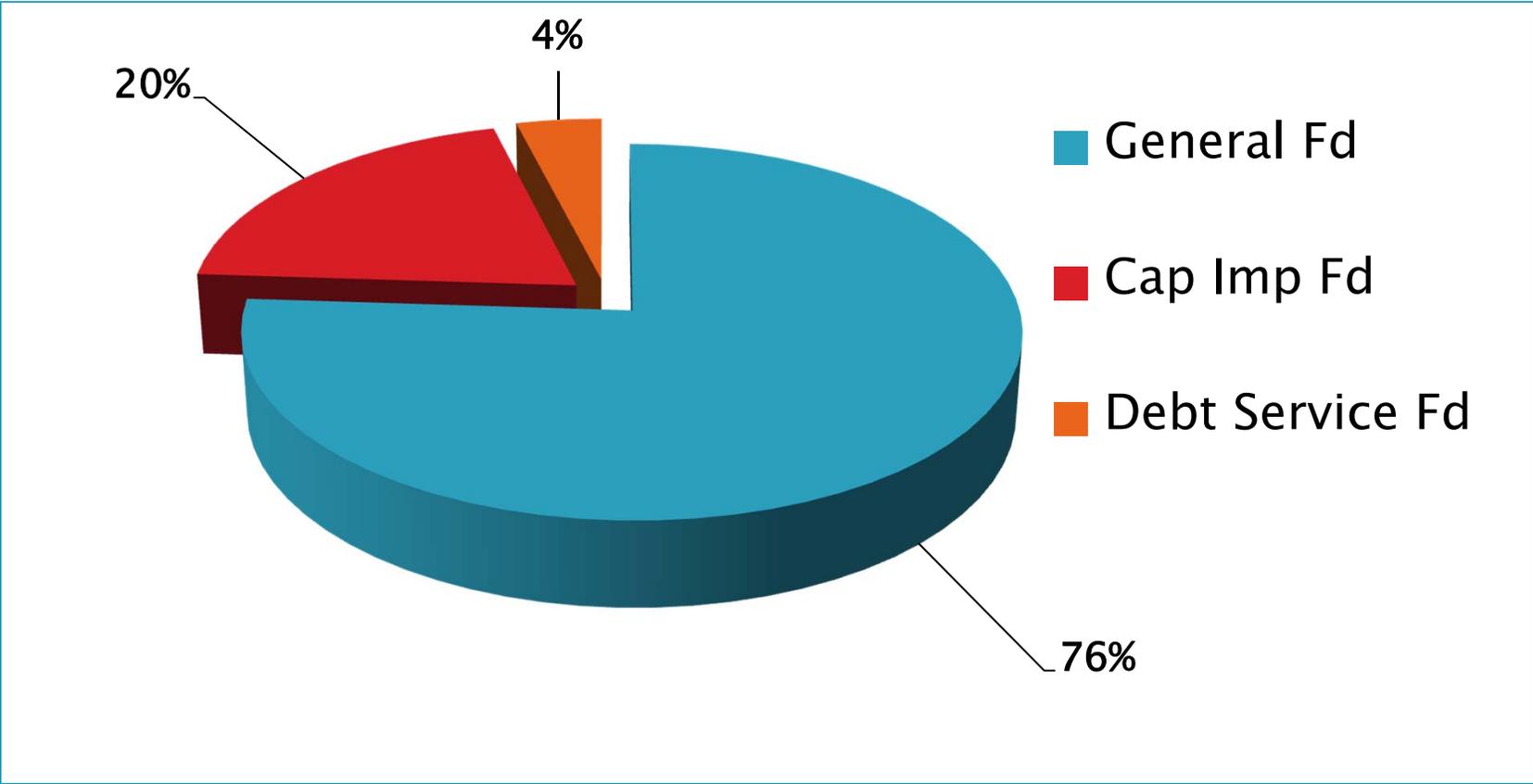


INCOME TAXES

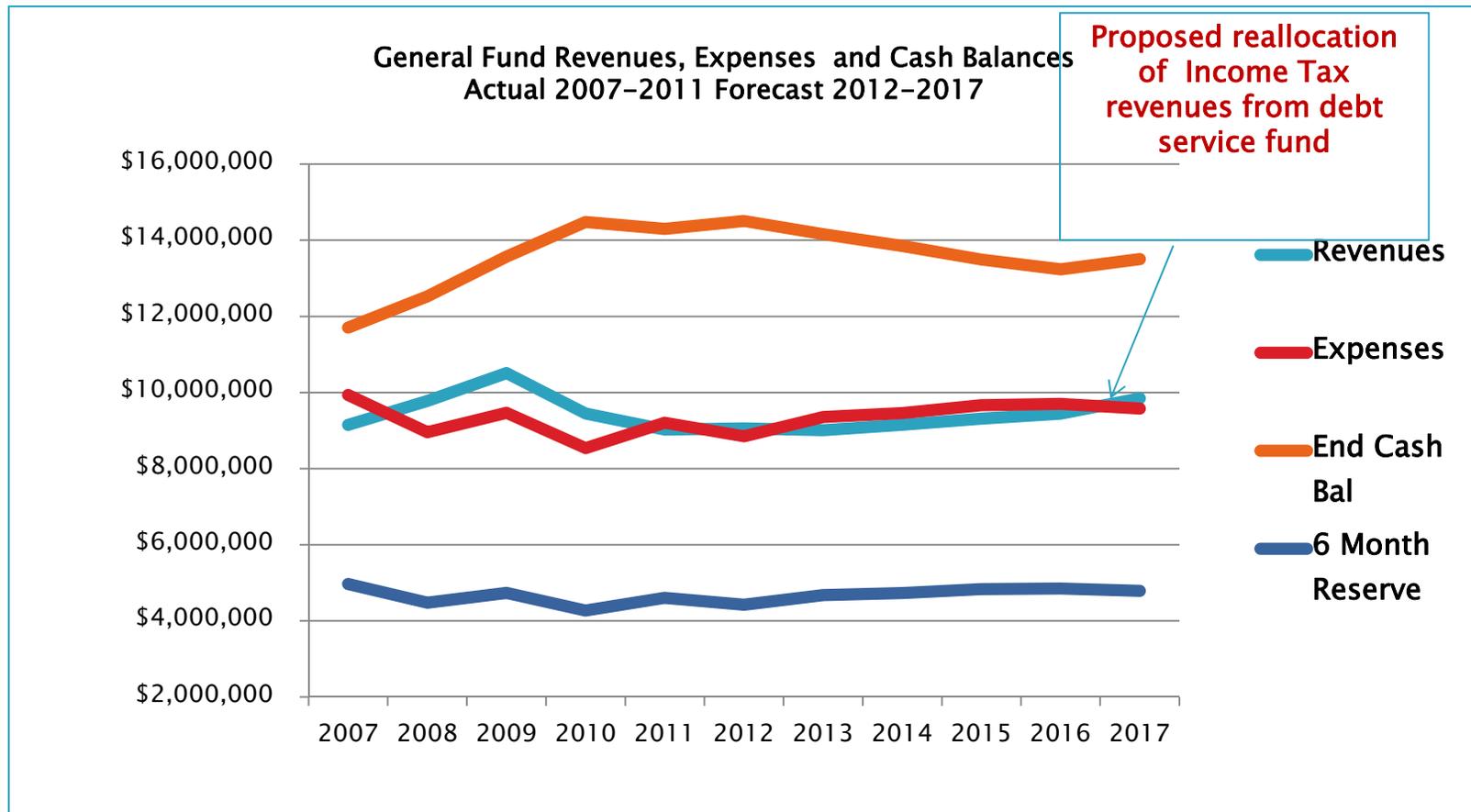
ACTUAL 2003-2012 & ESTIMATED 2013-2014



INCOME TAX ALLOCATION



GENERAL FD WITH REALLOCATION



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.

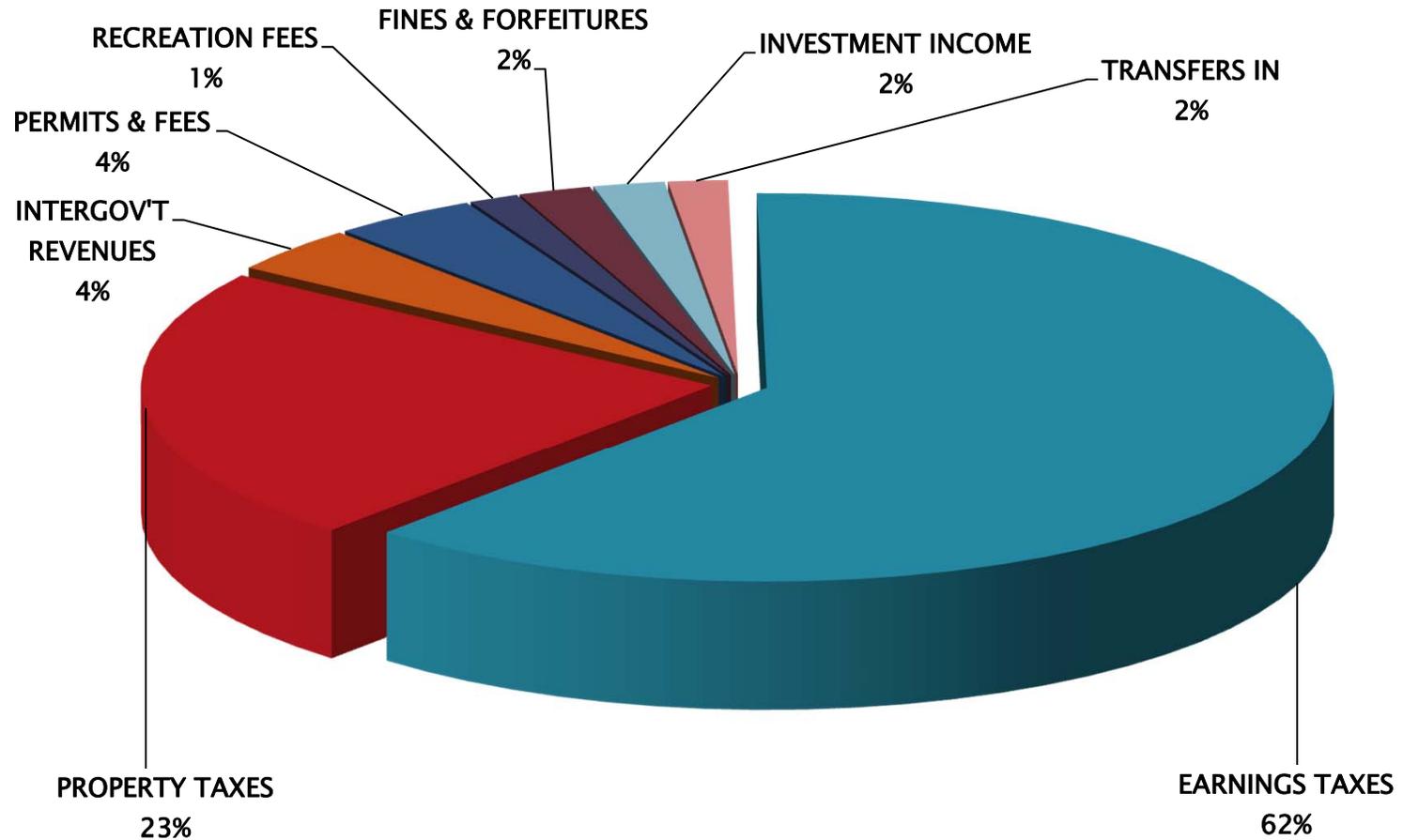
GENERAL FUND for 2014

EST BEG BALANCE	\$ 14,835,682
BUDGETED REVENUES	\$ 9,435,814
BUDGETED EXPENDITURES	\$ 9,445,069
EST END BALANCE	\$ 14,825,027
RESERVE BALANCE -12 months	\$ 9,445,069
NET RESERVE VARIANCE	\$ 5,379,958
Months in Reserve Fund Balance	18

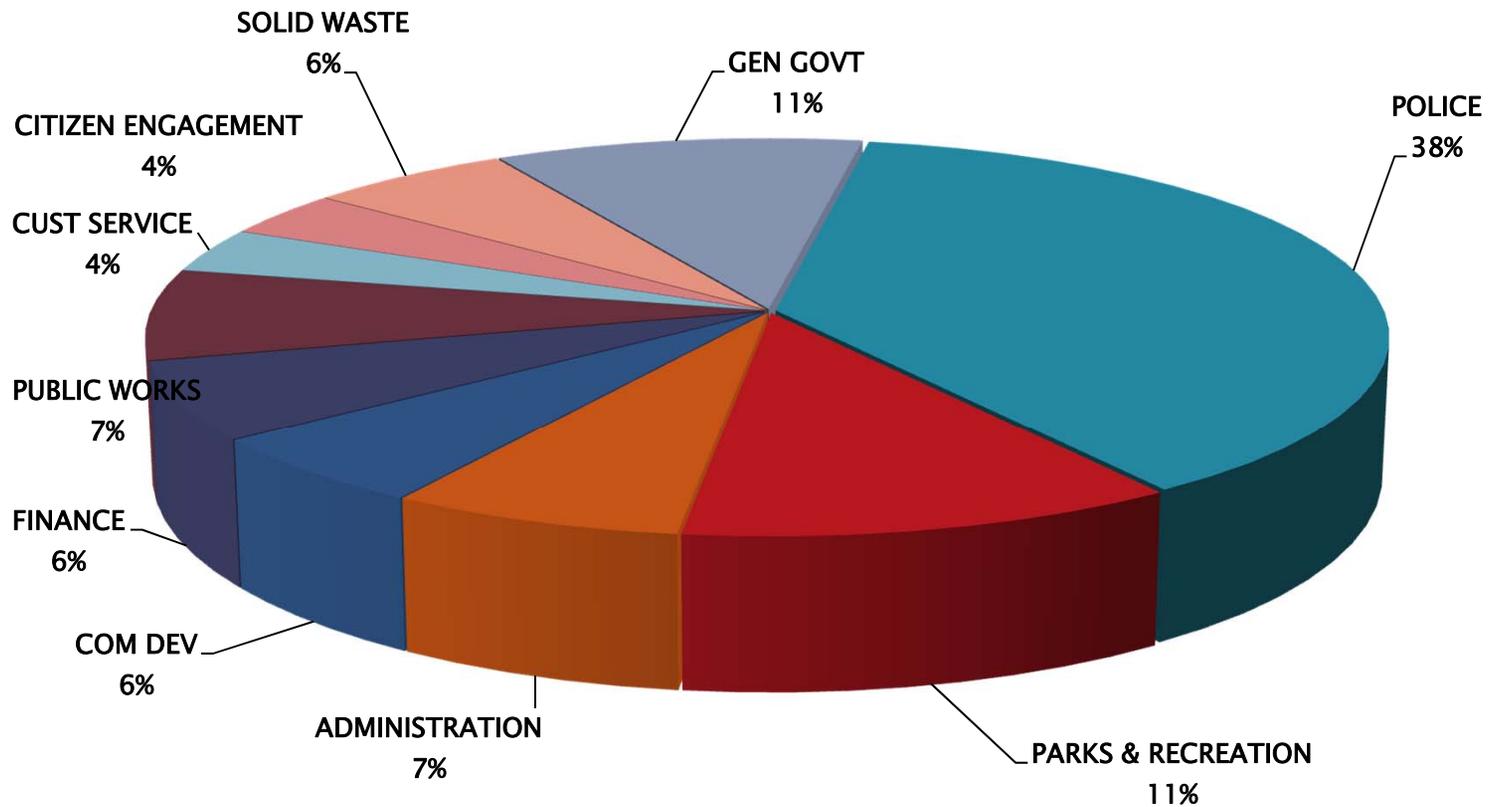
General Fund Appropriations represent an increase of \$120,852 or 1% over 2013 Appropriations of \$9,324,217 and \$287,878 or 3% over the 2013 estimate of \$9,157,191.

Estimated revenues represent an decrease of \$649,642 or 6% under 2013 estimate of \$10,085,456, a result of reductions in the estate tax collections.

2014 GENERAL FUND REVENUES BY CATEGORY



2014 GENERAL FUND EXPENDITURES BY CATEGORY



CHARTER LEVY

- ▶ Article IX, Sections 9.01 “Taxes” and 9.02 “Extra Levy” provide that Council by Resolution may increase the Charter Levy up to 5 mills.
- ▶ The current millage authorized under the charter is 4.5 mills, Council can authorize an additional .5 mills.
- ▶ An additional .5 mill would generate approximately \$250,000 for the General Fund.



DEPTS REQUIRING TRANSFERS FROM THE GENERAL FD

- ▶ For the years 2014–18 approx \$2.5M from the 101–General Fund will be transferred
- ▶ \$2.25M to 261–Street Constr. Maint. & Repair Fund to support the Public Works, and
- ▶ \$225,000 to 275–Municipal Pool Fund for Municipal Pool Operations.



PERSONNEL COSTS

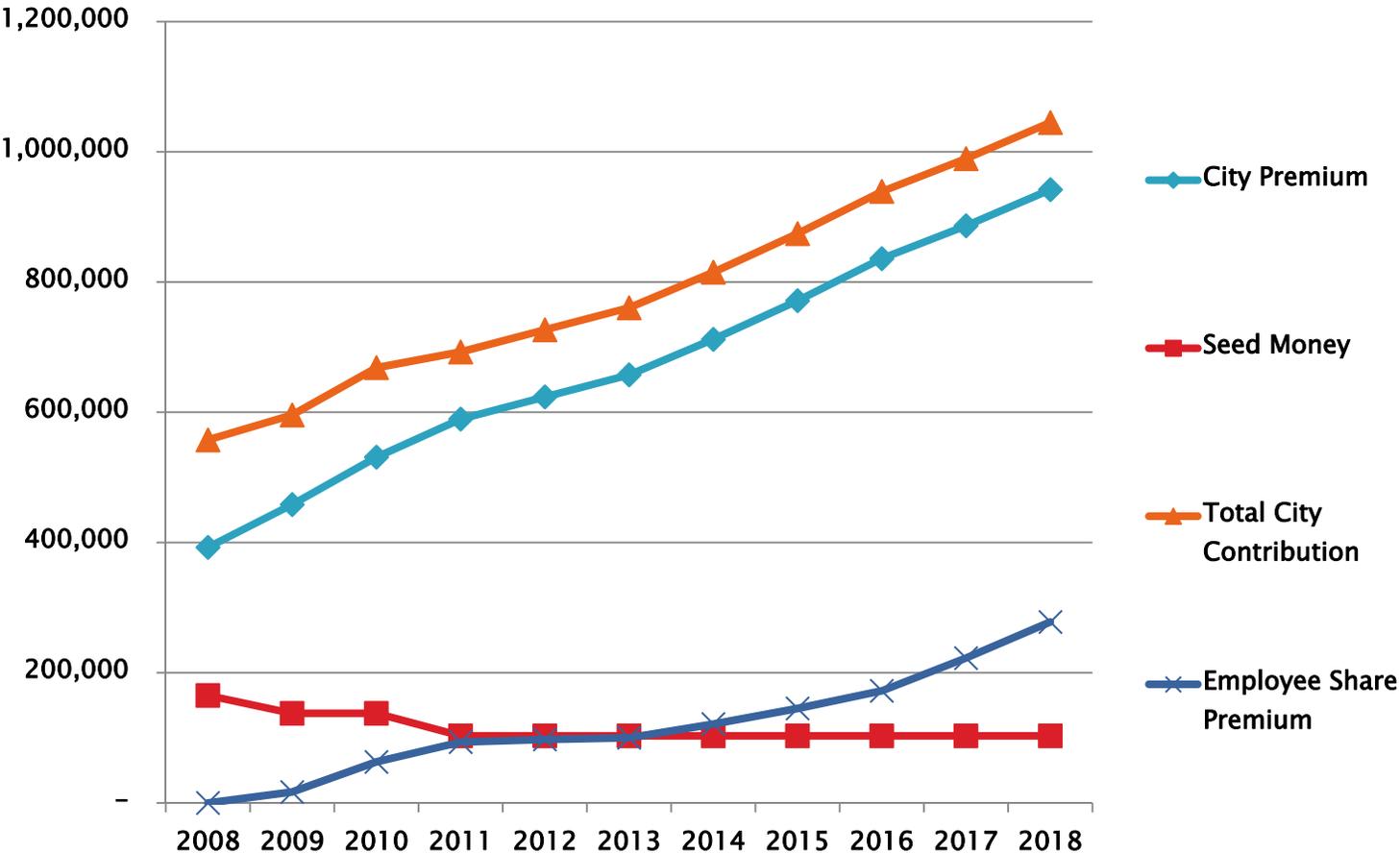
- ▶ FOP (Police) labor agreement expires in June 30, 2016, 0% in 2013, 1% in 2014, 2% in July 2015 and 1% in January 2016.
- ▶ AFSCME (Public Works) agreement expires August 31, 2014: 0% in 2013.
- ▶ IAFF (Fire) agreement expires March 31, 2015, 0% in 2013 and 1% in 2014.
- ▶ Exempt employees – 0% in 2013.



HEALTH CARE COSTS

- ▶ Total medical insurance premiums have increased over past 2 years by 6% and 5%. The reduction in City's contribution to the HSA in 2011 and the increases in shared caps on premiums has kept City's portion total cost at 5% increase in 2013–2014.
- ▶ City's total contributions to fund medical and dental insurance premiums is budgeted at \$879K in 2014, increasing to \$1.1M in 2018. Future increases are based on annual increases of 10% for medical and 3% for dental insurance.

HEALTH CARE COSTS



SOLID WASTE/RECYCLING COSTS

- ▶ City entered into multi-year waste/recycling contract with Rumpke. The current cost of services is approximately \$552,319/year.
- ▶ \$2.9M has been programmed over 5 years, \$572,952 in 2014 & 2015 increasing to \$593,587 in 2016 and 2017, to fund cost of this service.
- ▶ The current contract with Rumpke expires in 2017 and will need to be re-bid.

Fund 324 – General Bond Retirement

EST BEG BAL	\$1,180,110
ESTIMATED REVENUES	\$315,181
TOTAL AVAILABLE	\$1,495,291
DEBT EXPENDITURES	\$353,452
EST END BAL	\$1,141,839
RESERVE BALANCE	\$353,452
VARIANCE	\$788,387

- ▶ In 2014, 4% of income taxes is allocated to debt retirement.
- ▶ Remove tax allocation in 2017 assuming no new bonded debt.
- ▶ Debt Service in 2014 reduces from \$353,452 down to \$233,860 in 2017.
- ▶ GO Debt Outstanding 12/2013 – \$1,130,000 reduces to \$0 by 2018.

Fund 410 – Capital Improvement Fund

EST BEG BAL	\$3,607,527
ESTIMATED REVENUES	\$2,085,187
TOTAL AVAILABLE	\$5,692,714
CAPITAL EXPENDITURES	\$2,574,650
EST END BAL	\$3,118,064
RESERVE BALANCE	\$1,000,000
VARIANCE	\$2,118,064

- ▶ In 2014, 20% of income tax revenues are allocated for capital improvements.
- ▶ See CIP for complete list of projects budgeted in 2014.

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 2015.

EST BEG BAL	\$607,735
ESTIMATED REVENUES	\$30,300
TOTAL AVAILABLE	\$638,035
EST EXPENDITURES	\$54,950
EST END BAL	\$583,085
RESERVE BALANCE	\$376,237
VARIANCE	\$206,848

Fund 223 – Fire Levy Fund

EST BEG BAL	\$3,922,662
ESTIMATED REVENUES	\$2,130,016
TOTAL AVAILABLE	\$6,052,678
EST EXPENDITURES	\$2,369,782
EST END BAL	\$3,682,896
MONTHS IN EXPENDITURES	18

- ▶ Proposed to be included as Targeted Cash Balance Fund with 6–12 months of operating expenses in reserve.
- ▶ Revenues generated from Property Taxes.
- ▶ Consideration may need to be given for placing on the ballot a “replacement” fire levy in 2017.

Fund 261 –Street Construction, Maintenance & Repair Fund

EST BEG BAL	\$845,772
ESTIMATED REVENUES	\$915,192
TOTAL AVAILABLE	\$1,760,964
EST EXPENDITURES	\$1,004,024
EST END BAL	\$756,940
MONTHS IN EXPENDITURES	9

- ▶ Not a Targeted Cash Balance Fund but requires review to determine the need for adequate sources to maintain City roads and highways.
- ▶ Revenues generated from Gasoline Tax , Vehicle Registration Fees and transfers from General Fund.
- ▶ Consideration in the future should be given to implementing the additional \$5 Motor Vehicle Fee (\$50K annually) to support operations.

ROAD IMPROVEMENTS

Below are projects for 2014:

Annual Resurfacing (includes \$100,000 hydrants)	\$850,000.00
Crack Sealing & Surface Treatment	\$200,000.00
Curb & Sidewalk Repairs	\$83,000.00
Guard Rail Replacement	\$25,000.00
Drainage Projects	\$75,000.00
Turn Lane Montgomery & Pfeiffer	\$567,850.00
Cornell Rd Sidewalk	\$125,000.00
Engineering-2016 Traffic Signal Project	\$65,000.00
Contingency	\$30,000.00
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	\$2,020,850.00

PARK IMPROVEMENTS

Below are projects for 2014:

Asphalt Path Repairs	\$10,000.00
Parking Lot Repairs & Striping	\$10,000.00
Playground Equipment	\$30,000.00
Resurface Basketball Courts	\$8,000.00
Resurface Tennis Courts	\$15,000.00
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	\$73,000.00



TECHONLOGY IMPROVEMENTS

Below are major projects for 2014:

Financial Software	\$150,000.00
Telephone System	\$45,000.00
Fiber Optic Public Works	\$36,000.00
Scanning Software Mayors Court	\$14,000.00
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	\$245,000.00



VINTAGE CLUB DEBT SERVICE

- Programmed in the 2014 budget is the debt service associated with the \$13,265,000 in special obligation bonds issued for the construction of a road and public garage.
- Annual debt service programmed in 2014 and 2015 is \$522,103 for interest expense during the construction of the improvements. Interest and principal will start to be repaid in 2016.
- Debt service is paid from the PILOTS (payments in lieu of taxes) from the residential and the south of the road commercial properties.

DOWNTOWN IMPROVEMENT FUND

- ▶ This fund has been re-introduced in the 2009 Budget in anticipation of earmarking monies for the redevelopment of the City's Gateway or Heritage District.
- ▶ In 2009 \$1M and in 2012 \$1.75M was transferred into this fund from the General Fund.
- ▶ The \$2.8M cash balance in this fund may be programmed for land acquisition of improvements in the Gateway or Heritage Districts of the City.



DISCUSSION TOPICS

- ▶ Address Compensation Schedule for 2014 for exempt employees.
- ▶ Proposed uses for cash balance in the Downtown Improvement Fund.
- ▶ Including Fire Fund Cash Balance as a targeted fund balance policy maintaining a balance of 6–12 months of operating expenses.
- ▶ Consideration given to a replacement levy for fire operations in 2017.
- ▶ Reallocation of Income Tax in 2017 with no allocation to bond retirement .
- ▶ Rebid Garbage Contract in 2017.
- ▶ .5 mills of charter millage & \$5 vehicle license fee.

2014 Annual Budget Time Line

- ▶ October 2nd–1st Reading
- ▶ November 6th– 2nd Reading
- ▶ December 4th–3rd Reading
- ▶ December 18th–Appropriations to amend 2013 Budget.

