



# 2013 Budget in Brief

## City of Montgomery, Ohio

Ken Suer, Mayor

Todd Steinbrink, Vice Mayor

Chris Dobrozsi, Council Member

Gerri Harbison, Council Member

Barry Joffe, Council Member

Lynda Roesch, Council Member

Craig Margolis, Council Member

Wayne S. Davis, City Manager

James A. Hanson, Finance Director

# TOTAL 2013 BUDGET

EST BEG BALANCE	\$ 29,466,853
ESTIMATED REVENUES	\$ 16,517,147
REQUESTED APPROPRIATIONS	\$ 18,988,792
EST END BALANCE	\$ 26,995,208

**Total 2013 Appropriations represent an increase of \$953,914 or 5.3% over 2012 Appropriations of \$18,034,878.**

# TOTAL REVENUES & EXPENDITURES

## 2012 ESTIMATE COMPARED TO 2013 PROPOSED BUUDGET

	<b>2013 Budget</b>	<b>2012 Budget</b>	<b>Change</b>
<b>Total Revenues</b>	<b>\$ 16,517,147</b>	<b>\$ 18,869,495</b>	<b>\$ (2,352,348)</b>
<b>Total Expenditures</b>	<b>\$ 18,988,792</b>	<b>\$ 18,034,878</b>	<b>\$ 953,914</b>

- The decrease in total revenues can be attributed to reductions in state-shared taxes, grant proceeds and reduced property tax collections.
- The increase in the total expenditures are mostly attributed to \$2.2M in road Improvements programmed @ the Vintage Club development .

# IMPACT OF STATE BUDGET & COUNTY REAPPRAISAL

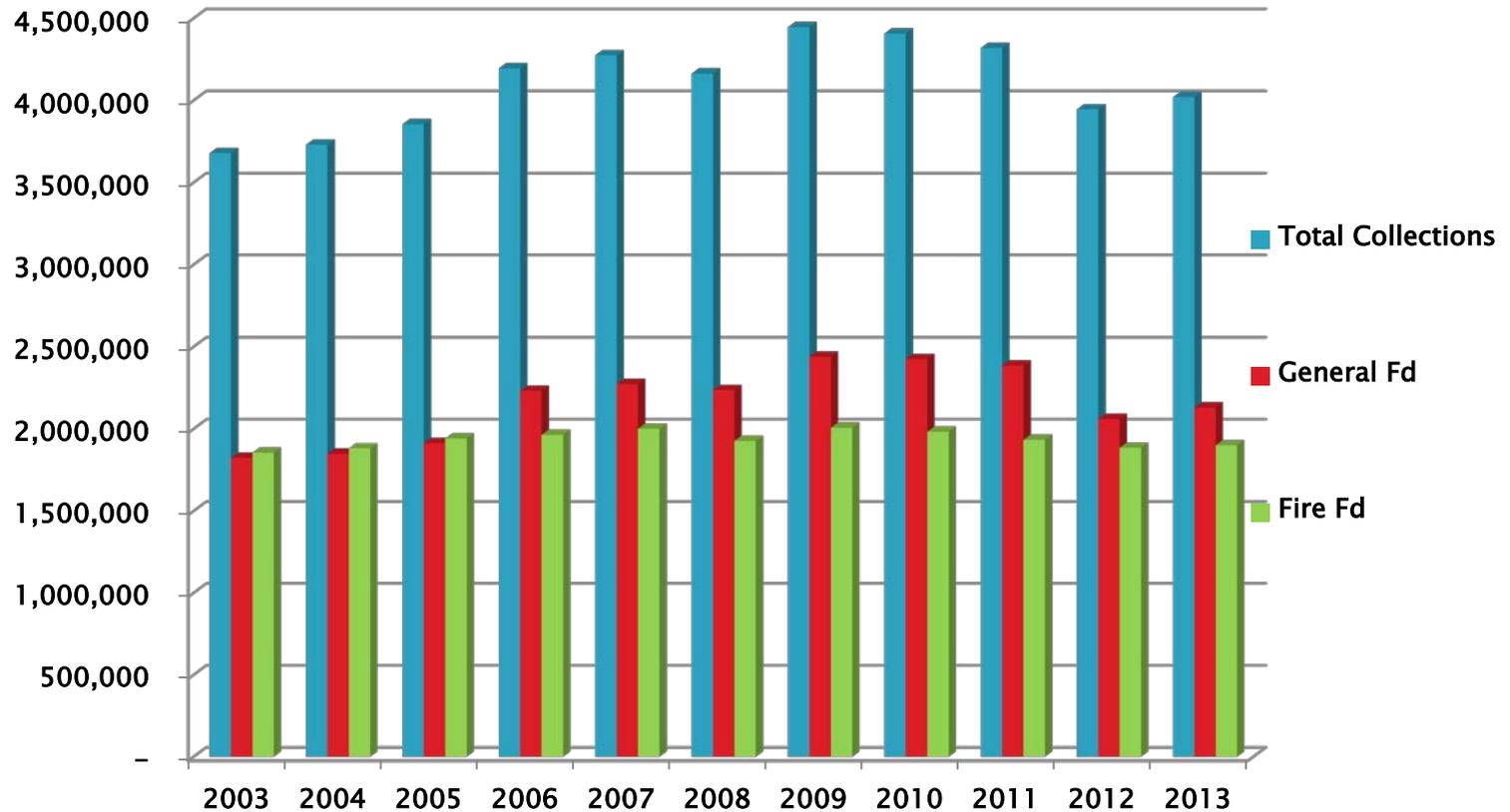
- ▶ 2013 State Budget;
  - ▶ Reduced the Local Government Fund 50%
  - ▶ Eliminated the Estate Tax.
- ▶ The 2011 reappraisal by the Hamilton County reduced the City's assessed valuation from \$523 M to \$481M which reduced property tax collections approx. \$200,000 combined for the General and Fire funds.
- ▶ Total anticipated revenue loss from 2012 levels to 2013 is approx. \$1M. However, the reallocation of the income tax replaces \$650,000 of reduced revenues.

# GENERAL FD REVENUE ASSUMPTIONS

- ▶ **Income Taxes are estimated at \$7.27M, 1% over the amount estimated for 2012 estimated collections.**
- ▶ **Real Estate Property tax are estimated to be 2% or \$40,000 more than 2012, this is \$60,000 less than the amount collected in 2011.**
- ▶ **Total Local Gov't Fund (LGF) revenues are estimated at \$142,000, approximately 50% less than the amount to be collected in 2010.**
- ▶ **Estate Taxes budgeted at \$0.**
- ▶ **Investment Income is estimated to generate a 1% to 1.5% return on investment.**
- ▶ **All other revenue sources including the Gasoline Tax and Motor Vehicle Registration Fees are estimated to remain flat.**

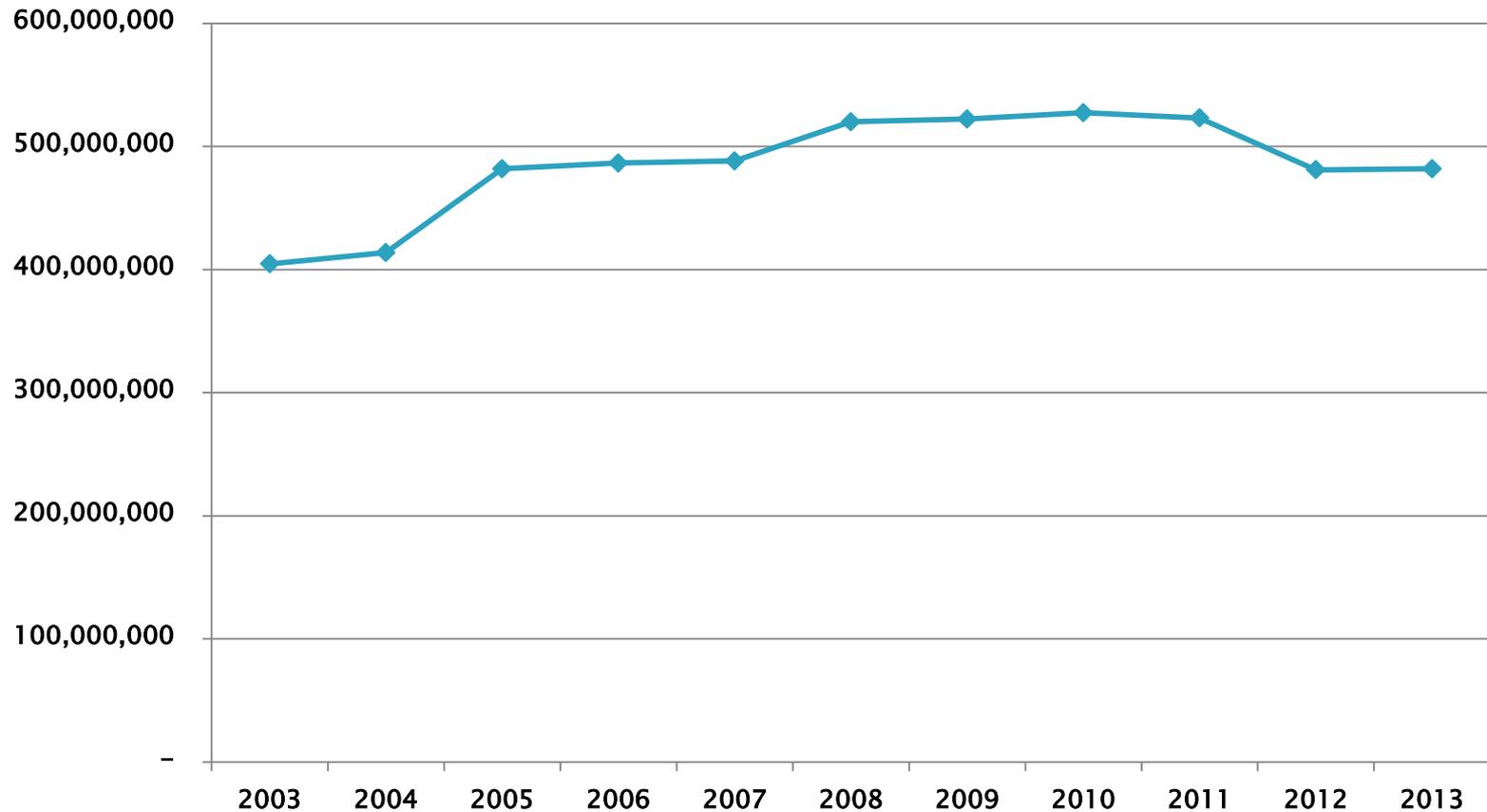
# PROPERTY TAX COLLECTIONS

## ACTUAL 2003-11 & ESTIMATED 2012-13



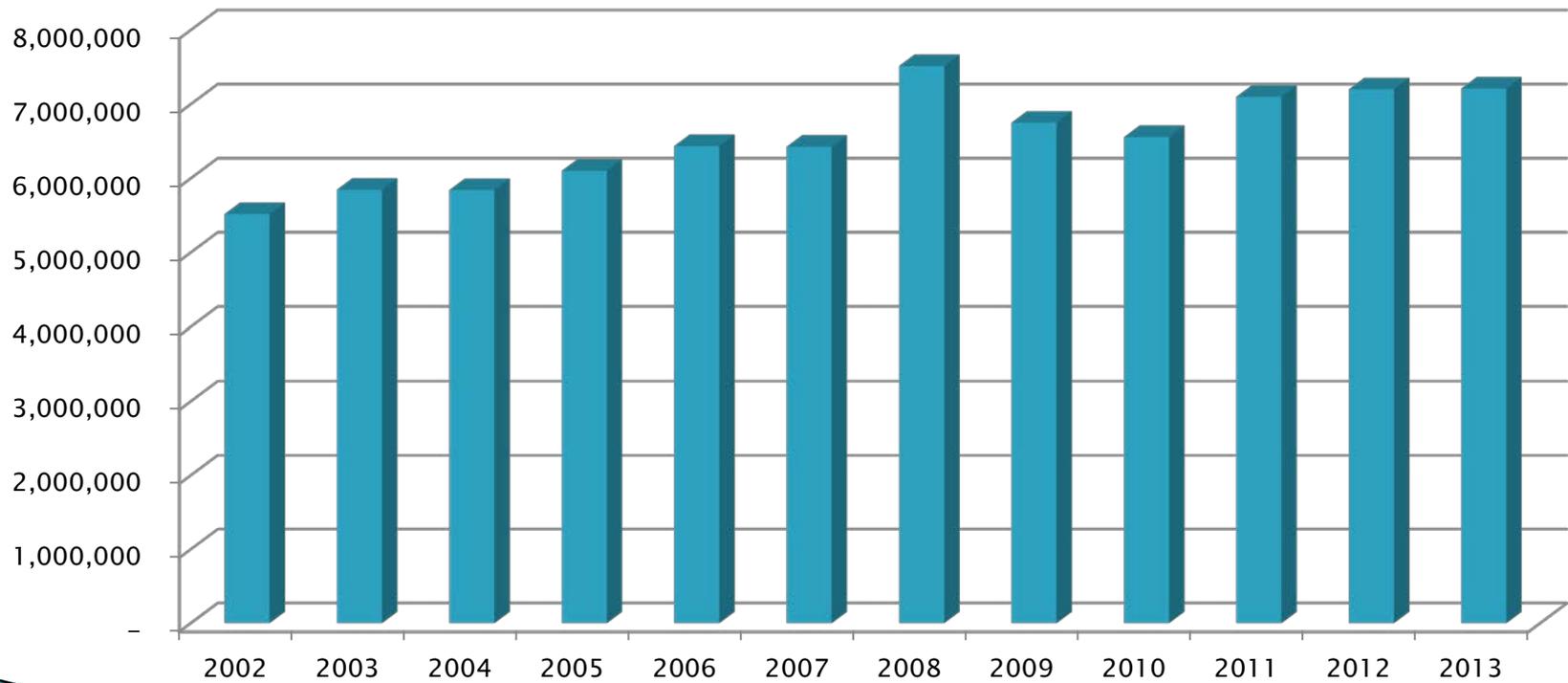
# ASSESSED VALUATION

ACTUAL 2003-11 & ESTIMATED 2012-13



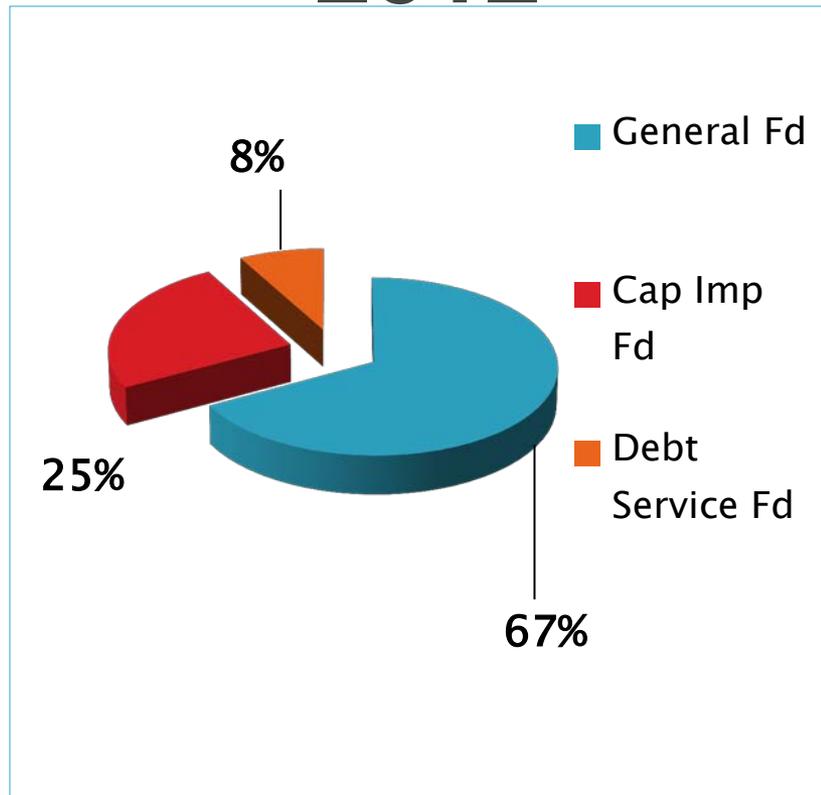
# INCOME TAXES ACTUAL & ESTIMATED

Income Tax Revenues  
Actual 2001-11 Estimated 2012-2013

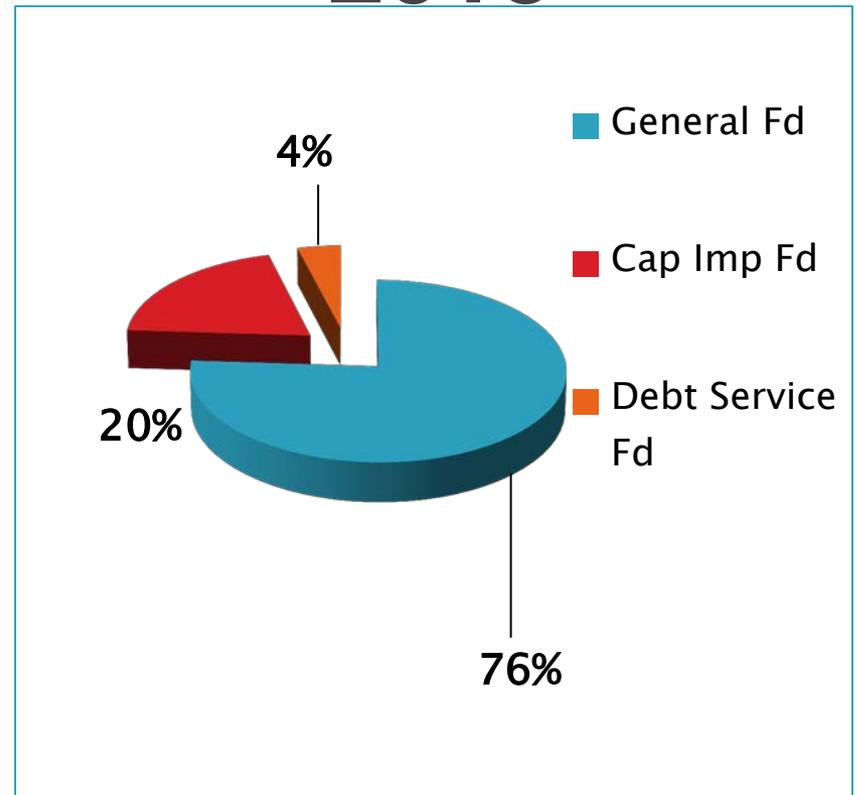


# INCOME TAX REALLOCATED

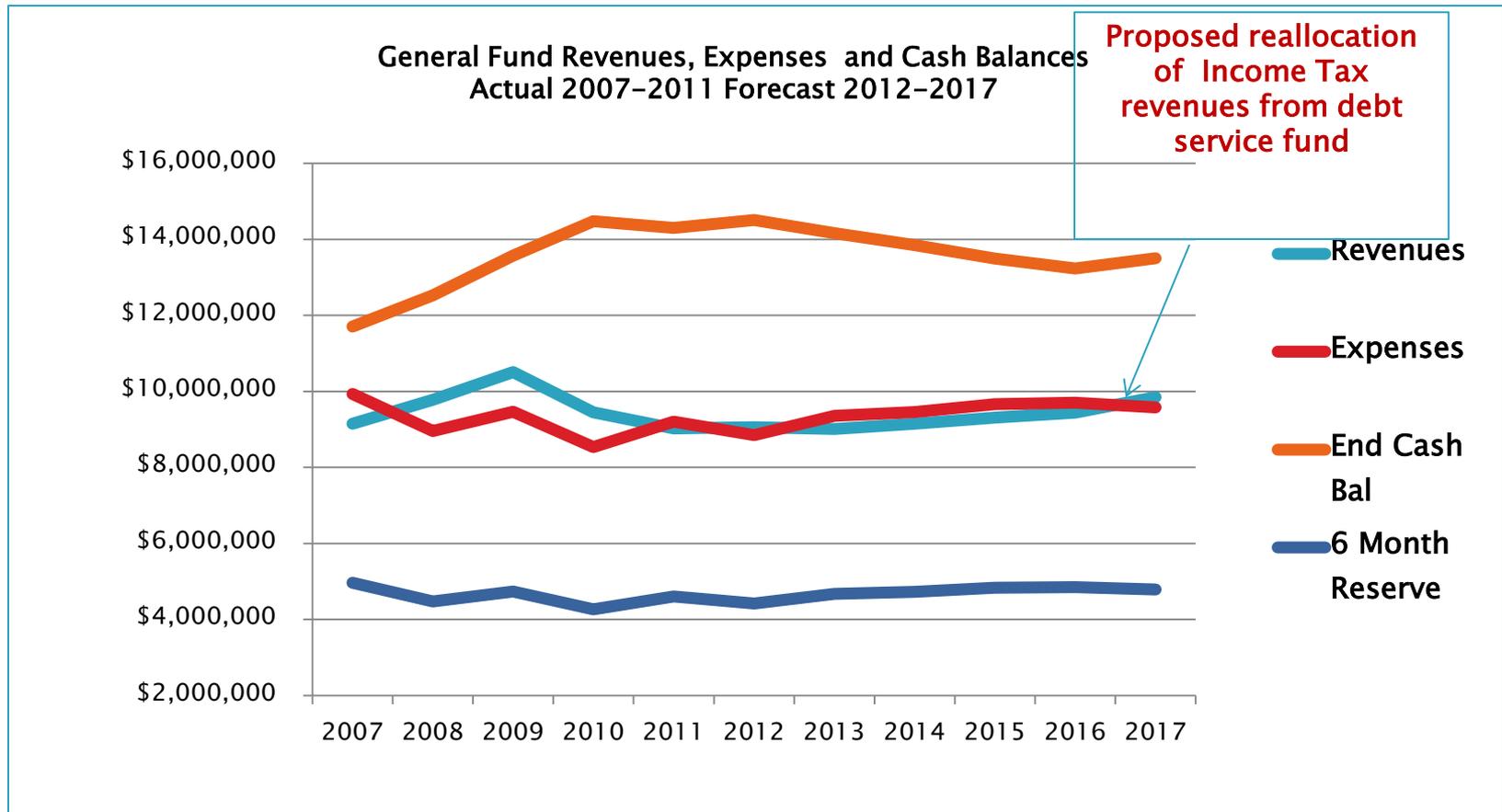
## 2012



## 2013



# 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.**
- ▶ **The proposed Income Tax Reallocation would maintain all targeted fund balances thru 2017.**
- ▶ **Arts & Amenities Fund – established at \$376,237, the corpus of original donation.**

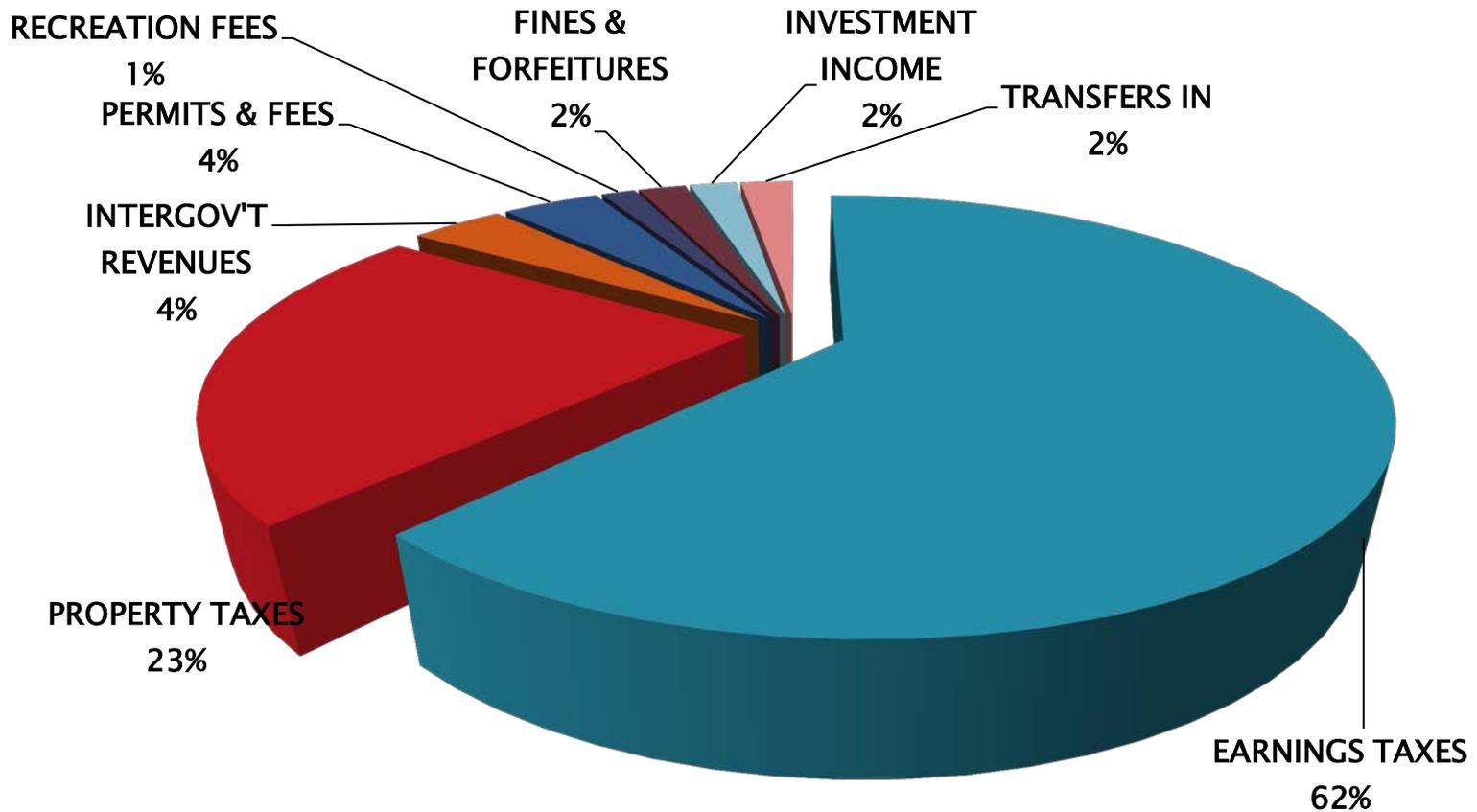
# GENERAL FUND for 2013

EST BEG BALANCE	\$ 14,411,535
BUDGETED REVENUES	\$ 9,004,804
BUDGETED EXPENDITURES	\$ 9,315,117
EST END BALANCE	\$ 14,101,222
RESERVE BALANCE -12 months	\$ 9,315,117
NET RESERVE VARIANCE	\$ 4,786,105
Months in Reserve Fund Balance 18	

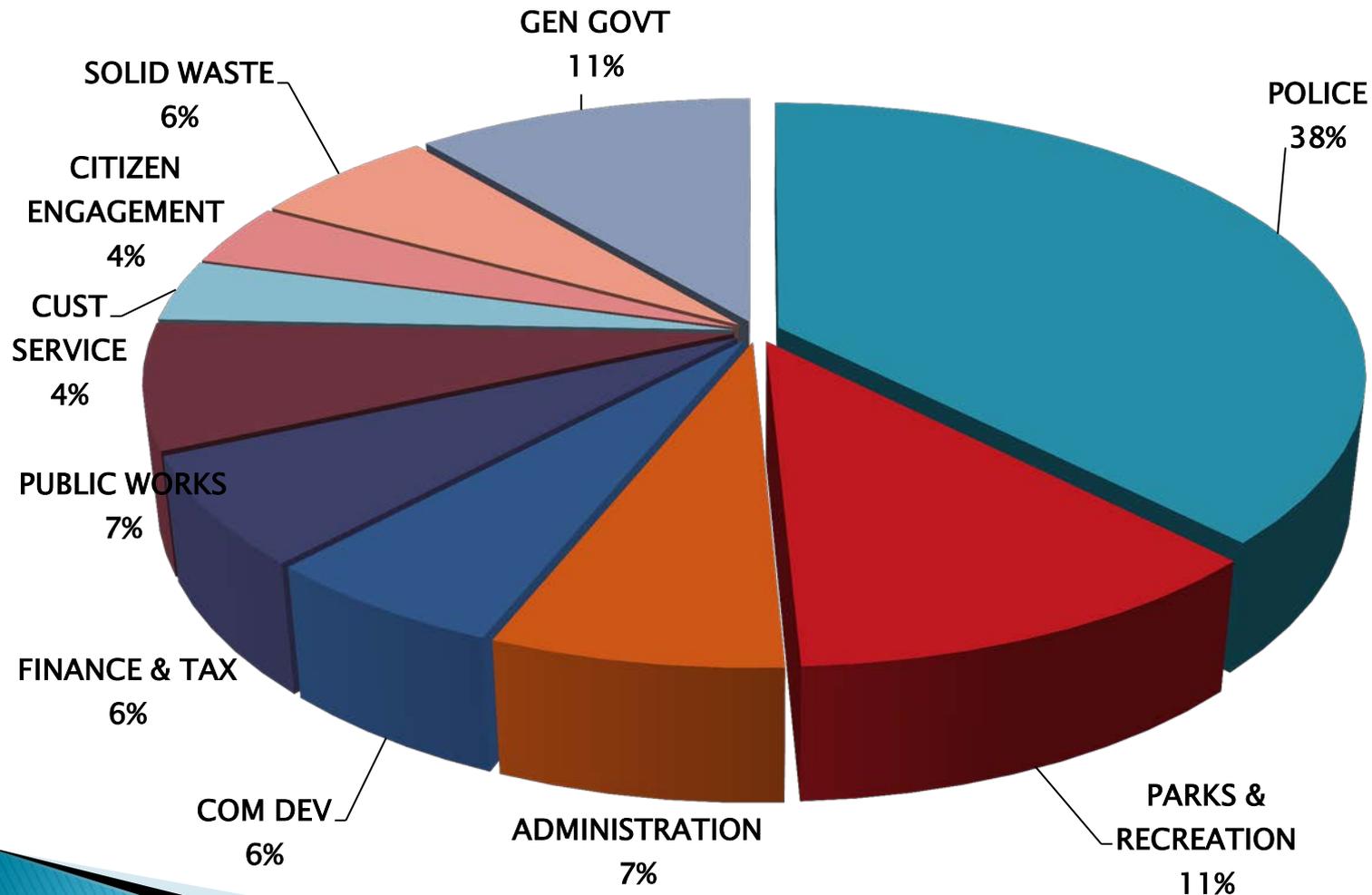
General Fund Appropriations represent an increase of \$62,220 or .7% over 2012 Appropriations of \$9,252,879 and \$559,262 or 5.7% less than Appropriations of \$9,874,379 in 2011.

Estimated revenues represent an decrease of \$282,202 or 3% under 2012 Estimate of \$9,287,006, a result of reductions in state-shared and property taxes.

# 2013 GENERAL FUND REVENUES BY CATEGORY



# 2013 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 2013–17 approx \$2.2M will be transferred from the Gen Fund to support the PW Dept (\$2M) for street repair (Fund 261) and \$189,000 for Municipal Pool Operations (Fund 275).
- ▶ Possible Options:
  - For SCM&R Fund–reducing costs or the implementation of an additional license registration fee of \$5 per license (Estimate \$50,000/year).
  - For Pool Fund–reducing operational costs, increasing fees or alternative revenue sources.

# PERSONNEL COSTS

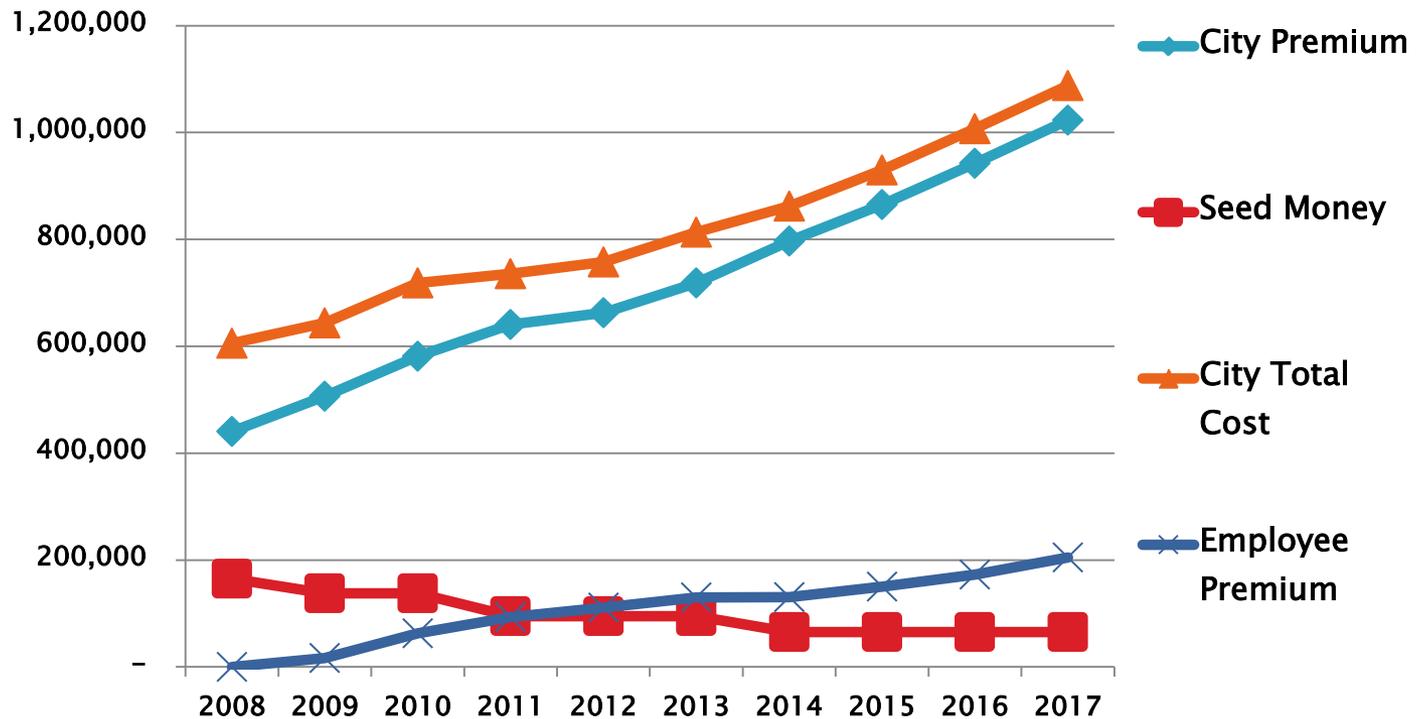
- ▶ FOP (Police) labor agreement expires in 2013, 2012 increase was 1.75%.
- ▶ AFSCME (Public Works) agreement runs thru 2014: 1.75% increase for 2012 and 0% in 2013, with a “Me Too” clause,
- ▶ IAFF (Fire) agreement expires in 2015, 1.75% increase for 2012 and 0% in 2013 and 1% in 2014.
- ▶ Exempt employees were granted increases of 1.75% in 2012, 0% in 2013.

# HEALTH CARE COSTS

- ▶ Total medical insurance premiums have increased over past 2 years by 15% and 6%. The reduction in City's contribution to the HSA in 2011 has kept City's portion total cost at 3% increase in 2012 and an increase of 5% for 2013 while maintaining the same City contribution to HSAs.
- ▶ City's total contributions to fund medical and dental insurance premiums is budgeted at \$837K in 2013, increasing to \$1.2M in 2017. Future increases are based on annual increases of 10% for medical and 3% for dental insurance.

# HEALTH CARE COSTS

## Projected Medical and Dental Costs 2013–2017



# SOLID WASTE/RECYCLING COSTS

- ▶ City entered into multi-year waste/recycling contract with Rumpke. The current cost of services is approximately \$552,319/year.
- ▶ The RecycleBank agreement was eliminated in 2012, which amounts to approximately \$25,000 annually.
- ▶ \$2.9M has been programmed over 5 years, \$552,319 in 2013 increasing to \$593,587 in 2016 and 2017, to fund cost of this service.

# Fund 324 – General Bond Retirement

<b>EST BEG BAL</b>	<b>\$1,258,114</b>
<b>ESTIMATED REVENUES</b>	<b>\$299,404</b>
<b>TOTAL AVAILABLE</b>	<b>\$1,557,518</b>
<b>DEBT EXPENDITURES</b>	<b>\$384,640</b>
<b>EST END BAL</b>	<b>\$1,172,878</b>
<b>RESERVE BALANCE</b>	<b>\$384,640</b>
<b>VARIANCE</b>	<b>\$788,238</b>

- ▶ **In 2013, 4% of income taxes is allocated to debt retirement.**
- ▶ **Debt Service in 2013 reduces from \$385,140 down to \$239,860 in 2017.**
- ▶ **GO Debt Outstanding 12/2012 – \$1,450,000 reduces to \$0 by 2018.**

# Fund 410 – Capital Improvement Fund

<b>EST BEG BAL</b>	<b>\$3,817,615</b>
<b>ESTIMATED REVENUES</b>	<b>\$1,760,139</b>
<b>TOTAL AVAILABLE</b>	<b>\$5,577,258</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$1,790,754</b>
<b>EST END BAL</b>	<b>\$3,787,702</b>
<b>RESERVE BALANCE</b>	<b>\$1,000,000</b>
<b>VARIANCE</b>	<b>\$2,787,702</b>

- ▶ In 2013, 20% of income tax revenues are allocated for capital improvements.
- ▶ See CIP for complete list of projects budgeted in 2013.

# 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.

<b>EST BEG BAL</b>	<b>\$599,725</b>
<b>ESTIMATED REVENUES</b>	<b>\$25,400</b>
<b>TOTAL AVAILABLE</b>	<b>\$625,125</b>
<b>EST EXPENDITURES</b>	<b>\$44,850</b>
<b>EST END BAL</b>	<b>\$580,275</b>
<b>RESERVE BALANCE</b>	<b>\$376,237</b>
<b>VARIANCE</b>	<b>\$204,038</b>

# Fund 223 – Fire Levy Fund

<b>EST BEG BAL</b>	<b>\$3,815,658</b>
<b>ESTIMATED REVENUES</b>	<b>\$2,119,759</b>
<b>TOTAL AVAILABLE</b>	<b>\$5,935,417</b>
<b>EST EXPENDITURES</b>	<b>\$2,385,711</b>
<b>EST END BAL</b>	<b>\$3,549,706</b>
<b>MONTHS IN EXPENDITUES</b>	<b>18</b>

- ▶ **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 slightly for 2013.**

# Fund 261 –Street Construction, Maintenance & Repair Fund

<b>EST BEG BAL</b>	<b>\$857,575</b>
<b>ESTIMATED REVENUES</b>	<b>\$913,693</b>
<b>TOTAL AVAILABLE</b>	<b>\$1,771,268</b>
<b>EST EXPENDITURES</b>	<b>\$972,826</b>
<b>EST END BAL</b>	<b>\$798,442</b>
<b>MONTHS IN EXPENDITUES</b>	<b>10</b>

- ▶ **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.**

# PARK IMPROVEMENTS

- ▶ Programmed over 5 years. Below are projects for 2013:

Asphalt Path Repairs	\$10,000.00
Shop & Operating Equipment	\$14,000.00
Fountain, Grilles, Trash Cans, Tables	\$8,000.00
Parking Lot Repairs & Striping	\$10,000.00
Playground Equipment	\$10,000.00
Landscaping Swaim & Pioneer Parks	\$10,000.00
Resurface Basketball Courts*	\$8,000.00
Resurface Tennis Courts*	\$15,000.00
	\$85,000.00

\* Recommendation of 2008 Park and Recreation Study

# VINTAGE CLUB

- Programmed in the 2013 budget is the construction of road improvements the Vintage Club. The cost is estimated to be approximately \$2.2M.
- The financing of the garage portion of the project may require the City to enter into an Installment Sale agreement or possibly require the City to arrange financing with the Port Authority.

# 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.
- ▶ The 2009 Budget programmed \$1M to be transferred into this fund from the General Fund.
- ▶ The \$1M cash balance in this fund may be programmed for land acquisition of improvements in the Gateway or Heritage Districts of the City.

# DISCUSSION TOPICS

- ▶ Future Reallocation of Income Tax
- ▶ An additional \$5 imposed for Vehicle Registration to support street operations
- ▶ The alternate funding source other than the Fire Fund (infrastructure improvements) for hydrant replacement
- ▶ Organizational structure, service levels, Park Study recommendations, cost of recycling/solid waste collections, mandates of the Affordable Care Act on part-time employees.

# 2013 Annual Budget Time Line

- ▶ October 3rd–1<sup>st</sup> Reading
- ▶ November 7th– 2<sup>nd</sup> Reading
- ▶ December 5th–3<sup>rd</sup> Reading
- ▶ December 19th–Appropriations to amend 2012 Budget.