

June 28, 2024

To: Ken Suer, Chairman  
Financial Planning Committee of City Council

From: Brian Riblet, City Manager *BKR*

Subject: Financial Planning Committee Meeting July 1, 2024

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, July 1 at 4:30 p.m. at City Hall. The agenda for this meeting is as follows:

1. May 2024 Income Tax Reports- Please see the May 2024 Income Tax Reports attached for the Committee's review and discussion. Staff will be prepared to answer any questions on this report at Monday's meeting.
2. Investment Policy Review and Update- Staff would like the opportunity to review the current investment policy and discuss a proposed update to it as well as obtain feedback from the Committee.
3. Other Business - The purpose of this agenda item is to provide an opportunity to discuss any issue that may be on your mind, give feedback and insight into the team's performance, ask questions and provide constructive suggestions to enhance the team's performance in the future.

Also, attached are the minutes from the May 6, 2024 meeting of the Financial Planning Committee for review and approval at Monday's meeting.

Should you have questions or concerns regarding the above agenda items or have additional items to be discussed at the meeting, please do not hesitate to contact me.

c: Financial Planning Committee Members (2)  
Mayor and City Council Members (3)  
Maura Gray, Finance Director  
Connie Gaylor, Executive Assistant/Clerk of Council  
File



## **FINANCIAL PLANNING COMMITTEE OF CITY COUNCIL**

10101 Montgomery Road • Montgomery, Ohio 45242  
(513) 891-2424 • Fax (513) 891-2498

### **AGENDA**

July 1, 2024  
City Hall  
4:30 P.M.

1. Call to Order
2. Guests and Residents
3. Communications
4. New Business
  - a. May 2024 Income Tax Reports
  - b. Investment Policy Review and Update
5. Approval of Minutes: May 6, 2024
6. Other Business
7. Adjournment

June 20, 2024

To: Brian Riblet, City Manager  
From: Maura Gray, Finance Director/Tax Commissioner  
Subject: 2024 May Income Tax Variance Report

**Year to Date**

For the month of May, the City’s total income tax receipts were \$891,361.84 which is an increase of \$162,637.39 or 22.32% when compared to the 2023 May collections of \$728,724.45.

	2024	2023	% Change
MTD May Actuals	891,361.84	728,724.45	22.32%
YTD Collections	5,573,321	6,954,423	(19.9)%
	YTD Actual	YTD Estimate	% Change
2024 Estimated Collections	5,573,321	7,034,691	(20.77)%
Smoothing Effect	5,573,321	5,625,000	(.92)%

A breakdown by category for May 2024 and variances are as follows:

Business- In May 2024, net profits from businesses located within or doing business within Montgomery was \$21,655. This is a decrease of \$3,877 or (15.9%) when compared to May 2023 collections of \$25,533.

Individual- Revenues of \$237,317 were collected in May 2024 from individual tax accounts in Montgomery. This is an increase of \$174,903 or 280.2% when compared to May 2023 collections of \$62,415.

Withholding- May 2024 withholding collections were \$632,389; a decrease of \$8,388 or (1.31%) when compared to May 2023 collections of \$640,777.

The following schedules break down collections by source and provides a graph comparing actual and estimated income tax revenues for 2023 and 2024. Also

included are End of Month reports showing the comparison between month-to-date and year-to-date. The variance report, basing monthly estimated collections on last year's collection timing and RITA's suggested leveling or "smoothing" of the collection timing are both included for your review. Starting with our October 2023 report, refunds are included in the net reporting amounts as they are included in the RITA Reports. Prior to the transition to RITA, refunds were not included in the gross monthly totals. January through May 2024 refunds total \$137,811.46.

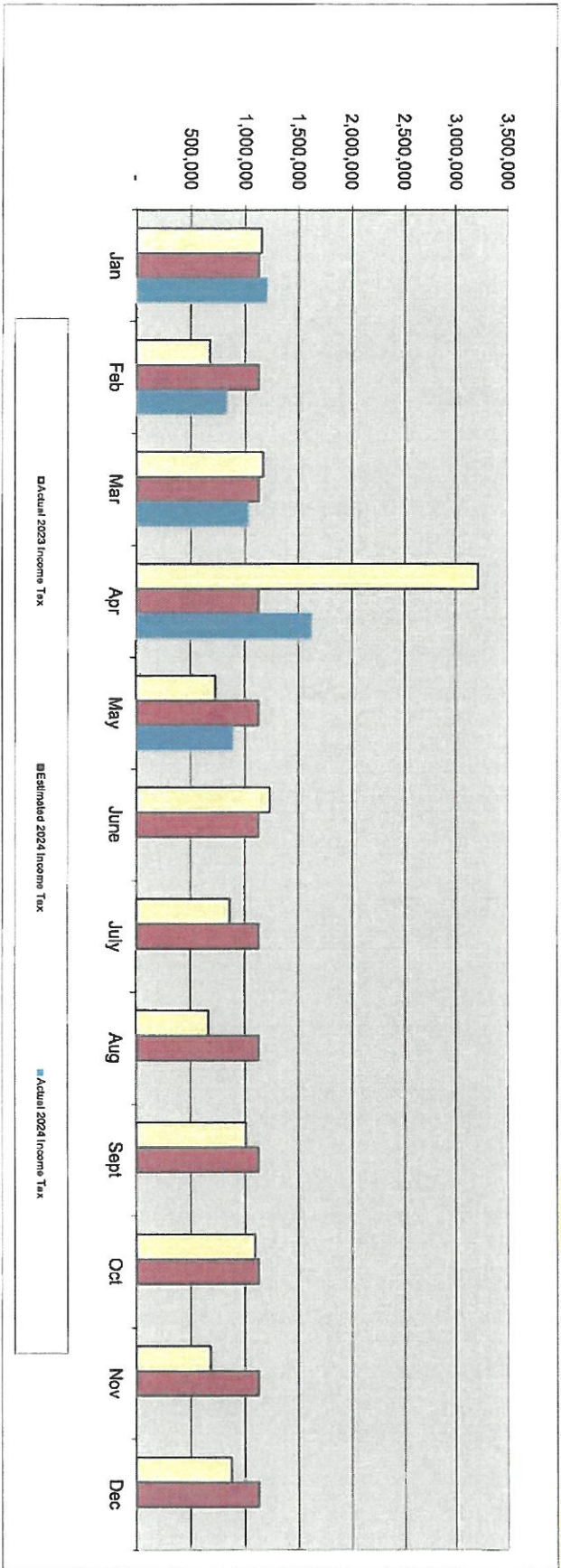
c: Financial Planning Committee Members (2)  
Mayor and City Council Members (3)  
Connie Gaylor, Administrative Coordinator  
Laura Braun, Finance Specialist

CITY OF MONTGOMERY  
END OF MONTH TAX REPORT 5/2024

ACCOUNT TYPE	MONTH	MTD 2022	MTD2023	MTD2024	MTD/LYMTD %	YTD 2022	YTD 2023	YTD 2024	YTD/LYTD %
Business Taxpayer	JAN	25,330.08	24,107.24	10,639.50	-55.87%	25,330.08	24,107.24	10,639.50	-55.87%
Individual Taxpayer	JAN	151,266.85	188,552.63	335,451.49	77.91%	151,266.85	188,552.63	335,451.49	77.91%
Withholding	JAN	1,074,100.32	940,526.74	860,656.46	-8.49%	1,074,100.32	940,526.74	860,656.46	-8.49%
		<b>1,250,697.25</b>	<b>1,153,186.61</b>	<b>1,206,747.45</b>	<b>4.64%</b>	<b>1,250,697.25</b>	<b>1,153,186.61</b>	<b>1,206,747.45</b>	<b>4.64%</b>
Business Taxpayer	FEB	18,057.86	9,089.18	17,032.26	87.39%	43,326.94	33,196.42	27,671.76	-16.64%
Individual Taxpayer	FEB	23,357.17	44,493.95	91,917.05	106.58%	174,624.02	233,046.58	427,368.54	83.38%
Withholding	FEB	668,609.25	627,794.92	722,526.54	15.09%	1,742,709.57	1,568,321.66	1,583,183.00	0.95%
		<b>710,024.28</b>	<b>681,378.05</b>	<b>831,475.85</b>	<b>22.03%</b>	<b>1,960,721.53</b>	<b>1,834,564.66</b>	<b>2,038,223.30</b>	<b>11.10%</b>
Business Taxpayer	MARCH	66,619.40	96,343.65	51,322.21	-46.73%	109,946.34	129,540.07	78,993.97	-39.02%
Individual Taxpayer	MARCH	114,578.45	172,013.13	98,320.40	-42.84%	289,202.47	405,059.71	525,688.94	29.78%
Withholding	MARCH	892,840.87	899,790.03	880,943.56	-2.09%	2,635,550.44	2,468,111.69	2,464,126.56	-0.16%
		<b>1,074,038.72</b>	<b>1,168,146.81</b>	<b>1,030,586.17</b>	<b>-11.78%</b>	<b>3,034,760.25</b>	<b>3,002,711.47</b>	<b>3,068,809.47</b>	<b>2.20%</b>
Business Taxpayer	APRIL	568,375.14	1,156,922.82	238,145.53	-79.42%	678,321.48	1,286,462.89	317,139.50	-75.35%
Individual Taxpayer	APRIL	1,040,677.36	1,090,134.39	532,544.70	-51.15%	1,329,879.83	1,495,194.10	1,058,233.64	-29.22%
Withholding	APRIL	780,953.20	975,929.42	842,459.69	-13.68%	3,416,503.64	3,444,041.11	3,306,586.25	-3.99%
		<b>2,390,005.70</b>	<b>3,222,986.63</b>	<b>1,613,149.92</b>	<b>-49.95%</b>	<b>5,424,765.95</b>	<b>6,225,698.10</b>	<b>4,681,959.39</b>	<b>-24.80%</b>
Business Taxpayer	MAY	22,090.21	25,532.50	21,655.26	-15.19%	700,411.69	1,311,995.39	338,794.76	-74.18%
Individual Taxpayer	MAY	127,401.77	62,414.69	237,317.36	280.23%	1,457,281.60	1,557,608.79	1,295,551.00	-16.82%
Withholding	MAY	612,764.69	640,777.26	632,389.22	-1.31%	4,029,268.33	4,084,818.37	3,938,975.47	-3.57%
		<b>762,256.67</b>	<b>728,724.45</b>	<b>891,361.84</b>	<b>22.32%</b>	<b>6,187,022.62</b>	<b>6,954,422.55</b>	<b>5,573,321.23</b>	<b>-19.86%</b>

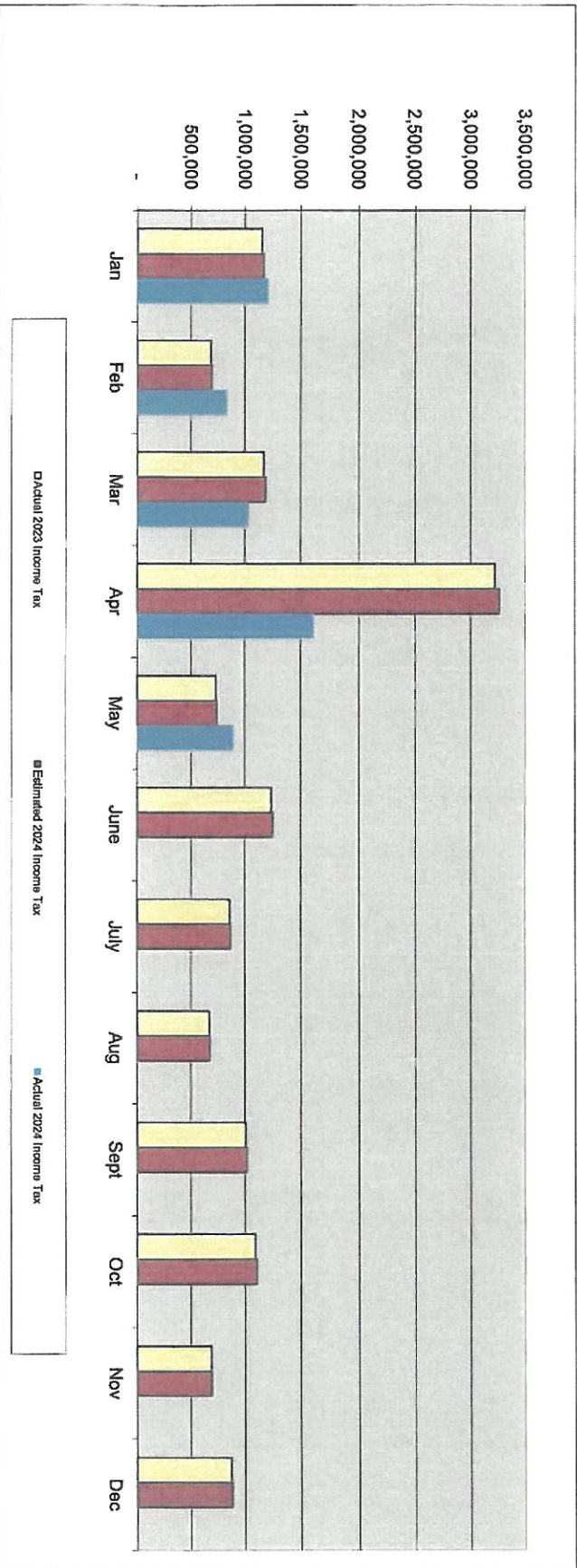
**City of Montgomery**  
**Schedule of Income Tax Collections by Source**  
**Actual 2023 Compared to 2024 Estimate & Actual**

	Actual 2023			Actual 2024			2024 Estimate			Budget vs Actual		Actual monthly variance	
	Withholding	Individual	Business	Withholding	Individual	Business	Estimate	Variance	%	Variance	%		
Jan	940,527	188,553	24,107	860,656	335,451	10,640	1,125,000	81,747	7.27%	53,561	4.64%		
Feb	627,795	44,494	9,089	722,527	91,917	17,032	1,125,000	(293,524)	-26.09%	150,098	22.03%		
Mar	899,790	172,013	96,344	880,944	98,320	51,322	1,030,586	(94,414)	-8.39%	(137,561)	-11.78%		
Apr	975,929	1,090,134	1,156,923	842,460	532,545	238,146	1,125,000	488,150	43.39%	(1,809,836)	-49.95%		
May	640,777	62,415	25,532	632,389	237,317	21,855	1,125,000	(233,638)	-20.77%	162,638	22.32%		
June	554,911	225,305	450,898	-	-	-	1,125,000	-	0.00%	-	0.00%		
July	758,587	81,089	16,209	-	-	-	1,125,000	-	0.00%	-	0.00%		
Aug	570,856	69,776	24,605	-	-	-	1,125,000	-	0.00%	-	0.00%		
Sept	688,337	211,736	102,823	-	-	-	1,125,000	-	0.00%	-	0.00%		
Oct	828,980	184,669	75,032	-	-	-	1,125,000	-	0.00%	-	0.00%		
Nov	623,069	104,359	(47,118)	-	-	-	1,125,000	-	0.00%	-	0.00%		
Dec	597,427	58,205	211,781	-	-	-	1,125,000	-	0.00%	-	0.00%		
<b>Total</b>	<b>8,706,985</b>	<b>2,492,748</b>	<b>2,146,226</b>	<b>3,938,975</b>	<b>1,295,551</b>	<b>338,795</b>	<b>13,500,000</b>	<b>(51,679)</b>	<b>-0.92%</b>	<b>(1,381,100)</b>	<b>-19.98%</b>		



**City of Montgomery**  
**Schedule of Income Tax Collections by Source**  
**Actual 2023 Compared to 2024 Estimate & Actual**

	Actual 2023			Actual 2024			2024 Estimate			Budget vs Actual		Actual monthly Variance	
	Withholding	Individual	Total	Withholding	Individual	Total	Estimate	Variance	%	Variance	%		
Jan	940,527	188,553	1,153,187	860,656	335,451	1,206,747	1,166,497	40,251	3.45%	53,561	4.64%		
Feb	627,795	44,494	681,378	722,527	91,917	831,476	689,243	142,233	20.64%	150,098	22.03%		
Mar	899,790	172,013	1,168,147	880,944	98,320	1,030,586	1,181,630	(151,044)	-12.78%	(137,561)	-11.78%		
Apr	975,929	1,090,134	3,222,986	842,460	532,545	1,613,150	3,260,186	(1,647,036)	-50.52%	(1,609,836)	-49.95%		
May	640,777	62,415	728,724	632,389	237,317	891,362	737,135	154,227	20.92%	162,638	22.32%		
June	554,911	225,305	1,231,115	-	-	-	1,245,325	-	0.00%	-	0.00%		
July	758,587	81,089	855,885	-	-	-	865,764	-	0.00%	-	0.00%		
Aug	570,856	69,776	665,237	-	-	-	672,915	-	0.00%	-	0.00%		
Sept	688,337	211,736	1,002,896	-	-	-	1,014,472	-	0.00%	-	0.00%		
Oct	828,980	184,669	1,098,681	-	-	-	1,101,247	-	0.00%	-	0.00%		
Nov	623,069	104,359	680,310	-	-	-	688,162	-	0.00%	-	0.00%		
Dec	597,427	58,205	687,413	-	-	-	877,425	-	0.00%	-	0.00%		
<b>Total</b>	<b>8,706,985</b>	<b>2,492,748</b>	<b>13,345,959</b>	<b>3,938,975</b>	<b>1,295,551</b>	<b>5,573,321</b>	<b>13,500,000</b>	<b>(1,461,369)</b>	<b>-20.77%</b>	<b>(1,381,100)</b>	<b>-19.86%</b>		



# MONTHLY DISTRIBUTION REPORT

DWFRMMD



## PERIOD 05 DISTRIBUTION FOR MONTGOMERY

Date	Variance	Distribution	Tax	Withholder			Individual			Net Profit		
				PI	Ref/Adj	Tax	PI	Ref/Adj	Tax	PI	Ref/Adj	
05/01/2024		-4,213.18	2,374.88	0.00	-1,468.16	152.50	0.00	-4,137.40	0.00	0.00	-1,135.00	
05/02/2024		14,130.77	6,683.27	0.00	0.00	7,426.56	20.94	0.00	0.00	0.00	0.00	
05/03/2024		-6,719.91	0.16	0.00	-6,146.27	8,290.04	520.92	-1,802.00	353.00	64.24	-8,000.00	
05/04/2024		8,593.09	2,210.05	0.00	0.00	6,358.91	24.13	0.00	0.00	0.00	0.00	
05/06/2024		9,901.69	1,788.69	0.00	0.00	4,738.78	2,291.22	0.00	1,083.00	0.00	0.00	
05/07/2024		44,116.28	7,377.88	0.00	0.00	35,495.18	147.54	-96.32	1,192.00	0.00	0.00	
05/08/2024		10,422.34	4,079.34	0.00	0.00	6,343.00	0.00	0.00	0.00	0.00	0.00	
05/09/2024		10,406.70	2,247.70	0.00	0.00	7,881.43	277.57	0.00	0.00	0.00	0.00	
05/10/2024		-7,301.21	1,843.80	0.00	-13,613.61	3,204.92	134.50	-1,727.82	2,857.00	0.00	0.00	
05/11/2024		4,636.87	2,719.18	0.00	0.00	1,917.69	0.00	0.00	0.00	0.00	0.00	
05/13/2024		19,331.68	13,448.62	0.00	0.00	5,904.06	0.00	0.00	-21.00	0.00	0.00	
05/14/2024		17,996.26	2,514.97	0.00	0.00	9,745.24	257.84	-2,097.79	7,470.27	105.73	0.00	
05/15/2024		33,554.25	16,683.76	5.72	0.00	15,868.82	286.95	0.00	709.00	0.00	0.00	
05/16/2024		83,011.05	73,263.39	0.00	-3,544.93	9,255.28	478.38	0.00	14.00	0.00	0.00	
05/17/2024		93,585.89	84,795.58	0.00	0.00	13,297.39	32.23	-821.38	119.00	0.00	-292.00	
05/18/2024		76,404.14	75,070.41	0.00	0.00	1,333.73	0.00	0.00	0.00	0.00	0.00	
05/20/2024		21,426.34	923.83	0.00	0.00	18,981.14	336.37	0.00	1,185.00	0.00	0.00	
05/21/2024		286,986.63	270,640.13	0.00	-1,346.72	15,375.61	110.86	-219.96	849.50	353.21	1,224.00	
05/22/2024		80,244.94	63,011.73	509.80	0.00	13,724.79	567.68	0.00	2,430.94	0.00	0.00	
05/23/2024		21,249.64	7,733.48	0.00	0.00	12,776.83	665.39	0.00	63.48	10.46	0.00	
05/24/2024		14,661.84	2,907.67	0.00	-250.99	14,022.50	1.61	-2,191.84	1,470.89	0.00	-1,298.00	
05/25/2024		12,404.70	7,338.89	0.00	0.00	4,940.37	125.44	0.00	0.00	0.00	0.00	
05/28/2024		-30,990.96	3,142.13	1,461.01	-2,514.25	-39,765.76	54.41	-296.00	4,751.31	2,209.19	-33.00	
05/29/2024		16,765.49	1,827.67	0.00	0.00	14,833.82	0.00	0.00	104.00	0.00	0.00	
05/30/2024		6,060.79	1,161.02	0.00	0.00	3,512.09	0.00	0.00	1,364.00	23.68	0.00	
05/31/2024		9,629.92	2,699.47	407.09	0.00	6,253.96	0.00	0.00	269.40	0.00	0.00	
06/01/2024		4,412.55	1,818.68	0.00	0.00	391.00	0.00	0.00	2,202.87	0.00	0.00	
06/03/2024		5,631.00	388.30	0.00	0.00	5,284.14	-41.44	0.00	0.00	0.00	0.00	
06/04/2024		1,135.99	0.02	215.27	0.00	2,026.20	0.00	0.00	-1,105.50	0.00	0.00	
06/05/2024		174.30	0.00	0.00	0.00	394.71	0.00	0.00	-220.41	0.00	0.00	
06/06/2024		3,511.28	-0.27	0.27	0.00	3,523.28	0.00	0.00	-12.00	0.00	0.00	



# MONTHLY DISTRIBUTION REPORT

DWFRMMD



## PERIOD 05 DISTRIBUTION FOR MONTGOMERY

Date	Variance	Distribution	Tax	Withholder			Individual			Net Profit		
				PI	Ref/Adj	Tax	PI	Ref/Adj	Tax	PI	Ref/Adj	
06/07/2024		12,141.44	-2,019.24	0.00	0.00	14,160.68	0.00	0.00	0.00	0.00	0.00	0.00
06/08/2024		2,333.99	0.00	0.00	0.00	1,355.99	0.00	0.00	978.00	0.00	0.00	0.00
06/10/2024		1,677.49	0.00	0.00	0.00	2,112.49	0.00	0.00	-594.00	0.00	0.00	159.00
06/11/2024		6,848.11	-0.20	0.00	0.00	7,047.71	-199.40	0.00	0.00	0.00	0.00	0.00
06/12/2024		7,199.65	0.00	0.00	0.00	6,449.65	0.00	0.00	750.00	0.00	0.00	0.00
PRD 05 2024		891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	0.00
PRD 05 2023		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 2022		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 2024-2023	0.00%	891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	0.00
PRD 05 2023-2022	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 2024-2022	0.00%	891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	0.00
PRD 05 TAXYR 24		816,894.73	656,879.11	0.00	-250.99	120,909.72	0.00	0.00	39,356.89	0.00	0.00	0.00
PRD 05 TAXYR 23		78,910.12	149.52	2,593.17	-26,652.74	118,114.71	6,087.52	-12,311.75	-10,438.14	2,742.83	-1,375.00	0.00
PRD 05 TAXYR 22		-5,033.75	1,796.36	0.27	-653.74	3,453.82	5.62	-1,078.76	-581.00	23.68	-8,000.00	0.00
PRD 05 TAXYR 21		530.00	-150.00	5.72	-1,327.46	2,075.74	0.00	0.00	-74.00	0.00	0.00	0.00
PRD 05 TAXYR 20		14.25	0.00	0.00	0.00	14.25	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 TAXYR 19		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 TAXYR 18		46.49	0.00	0.00	0.00	46.49	0.00	0.00	0.00	0.00	0.00	0.00
PRD 05 TAXYR 17		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
YTD 2024		5,573,321.23	3,970,771.37	4,046.08	-35,841.98	1,362,288.29	9,521.19	-76,258.48	359,666.29	4,839.47	-25,711.00	0.00
YTD 2023		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
YTD 2022		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
YTD 05 2024-2023	0.00%	5,573,321.23	3,970,771.37	4,046.08	-35,841.98	1,362,288.29	9,521.19	-76,258.48	359,666.29	4,839.47	-25,711.00	0.00
YTD 05 2023-2022	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
YTD 05 2024-2022	0.00%	5,573,321.23	3,970,771.37	4,046.08	-35,841.98	1,362,288.29	9,521.19	-76,258.48	359,666.29	4,839.47	-25,711.00	0.00
YTD 2024 ABOVE		5,573,321.23										
YTD 2024 RETAINER		167,199.65										

# MONTHLY DISTRIBUTION REPORT

DWFRMMD



## PERIOD 05 DISTRIBUTION FOR MONTGOMERY

Date	Variance	Distribution	Tax	Withholder		Individual		Net Profit	
				PI	Ref/Adj	PI	Ref/Adj	PI	Ref/Adj
YTD 2024 AVERAGE %		3.00%							
PRD 05 ABOVE		TOTAL	ADVANCE	RECONCILIATION					
		891,361.84	836,666.12	54,695.72					
PRD 05 RETAINER %		3.00%							
PRD 05 RETAINER		26,740.86	25,099.98	1,640.88					
PRD 05 NET		864,620.98	811,566.14	53,054.84					

THE AMOUNTS REPRESENT COLLECTIONS FROM JANUARY 2024 THROUGH MAY 2024 DISTRIBUTED TO YOU FEBRUARY 2024 THROUGH JUNE 2024

# MONTHLY DISTRIBUTION REPORT

DWFRMMD



## CASH PERIOD 05 DISTRIBUTION FOR MONTGOMERY

Date	Distribution	Tax	Withholder			Individual			Net Profit		
			PI	Ref/Adj	Tax	PI	Ref/Adj	Tax	PI	Ref/Adj	
CSH 06 2024	891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	
CSH 06 2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CSH 06 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CSH 06 2024-2023	891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	
CSH 06 2023-2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CSH 06 2024-2022	891,361.84	658,674.99	2,599.16	-28,884.93	244,614.73	6,093.14	-13,390.51	28,263.75	2,766.51	-9,375.00	
CSH											
YTD 2024	6,440,734.03	4,566,476.53	5,768.27	-35,841.98	1,425,468.82	10,365.76	-82,078.67	573,763.83	4,689.47	-27,878.00	
CSH											
YTD 2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CSH											
YTD 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CSH											
YTD 06 2024-2022	0.00%	6,440,734.03	4,566,476.53	5,768.27	-35,841.98	1,425,468.82	10,365.76	-82,078.67	573,763.83	4,689.47	-27,878.00
YTD 2024 ABOVE		6,440,734.03									
YTD 2024 RETAINER		166,481.17									
YTD 2024 AVERAGE %		2.58%									

**This page is CASH BASIS**

THE AMOUNTS REPRESENT COLLECTIONS FROM DECEMBER 2023 THROUGH MAY 2024 DISTRIBUTED TO YOU JANUARY 2024 THROUGH JUNE 2024

June 25, 2024

TO: Brian Riblet, City Manager  
FROM: Maura Gray, Finance Director *mg*  
SUBJECT: Investment Policy Proposed Clarification

### Background

This memo is to review and update the investment policy per section 16.0, which states “The policy shall be reviewed on an annual basis by the Financial Planning Committee and any modifications made thereto must be approved by the Council.”

This clarification will be proposed to the Financial Planning Committee on July 1, 2024. It is prudent to memorialize the specific allowable investments as listed in ORC 135.14 and file the Investment Policy with the Auditor of State as required in ORC 135.14 O (1).

### Update

The current investment policy was reviewed against the Government Finance Officers Association (GFOA) example investment policy and the current policy conforms to the GFOA best practices.

There is one proposed clarification to the policy in section 8.0, Authorized and Suitable Investments. The Ohio Revised Code specifically lists, as allowable, Commercial Paper. The city’s investment policy refers to ORC section 135.14 but does not list specifically the investment type of Commercial Paper as it is listed in the code. However, current practice is to include commercial paper as an investment type in the diversification of investments. The proposed change to the policy is to merely memorialize, in the City’s investment policy, what is included in the Ohio Revised Code.

### Financial Impact

There is little to no financial impact of this clarification. Our goal is to diversify investments and use the Ohio Revised Code and Government Finance Officer Association’s best practices as a guide to diversification of investments. This proposed change memorializes current practice.

Recommendation

Staff requests the Financial Planning committee recommend this change and add legislation for City Council to approve the updated investment policy as referenced in the attached updated Investment Policy.

## City of Montgomery Investment Policy

### 1.0 Policy:

It is the policy of the City of Montgomery to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

### 2.0 Scope:

This investment policy applies to all financial assets of the City of Montgomery. These funds are accounted for in the City of Montgomery's Annual Financial Report and include:

#### 2.1 Funds:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Trust and Agency Funds

### 3.0 Prudence:

Investments shall be made with judgment and care--under circumstances then prevailing--which persons of prudence; discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### 3.1:

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided

deviations from expectations are reported in a timely fashion and appropriate action taken to control adverse developments.

#### **4.0 Objective:**

The primary objectives, in priority order, of the City of Montgomery investment activities shall be:

##### **4.1 Safety:**

Safety of principal is the foremost objective of the investment program. Investments of the City of Montgomery shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

##### **4.2 Liquidity:**

The City of Montgomery's investment portfolio will remain sufficiently liquid to enable the City of Montgomery to meet all operating requirements which might be reasonably anticipated.

##### **4.2 Return on Investment:**

The City of Montgomery's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City of Montgomery's investment risk constraints and the cash flow characteristics of the portfolio.

#### **5.0 Delegation of Authority:**

Authority to manage the City of Montgomery's investment program is derived from the Ohio Revised Code, Section 135. Management responsibility for the investment program is hereby delegated to the Finance Director, who shall establish procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, repurchase

agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### **6.0 Ethics and Conflicts of Interest:**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Montgomery's portfolio.

#### **7.0 Authorized Financial Dealers and Institutions:**

For Certificates of Deposit, the Finance Director may purchase Certificates of Deposit from financial institutions located within the State of Ohio which have a current depository agreement with the City of Montgomery.

The Finance Director will maintain a list of financial institutions authorized to provide investment services (with depository agreements). In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of Ohio. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by Ohio state law.

All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registration, completed broker/dealer questionnaire,



certification of having read entity's investment policy, depository contracts.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Finance Director.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City of Montgomery invests.

#### **8.0 Authorized and Suitable Investments:**

*The City of Montgomery is empowered by Section 135.14 of the Ohio Revised Code to invest in the following types of securities.*

A) Repurchase agreements with eligible institutions having a signed master repurchase agreement on file with the Finance Director. Repurchase agreements shall have as collateral items B or C of this section.

B) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.

C) Bonds, notes, debentures or other obligations, instruments or securities issued by any federal government agency, or the Export-Import Bank of Washington, which are backed by the full faith and credit of the U.S. Government.

D) Certificates of Deposit.

E) Bonds or other obligations of the State of Ohio, or the political subdivisions of the State, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:

- a. The bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.
- b. The bonds or other obligations are rates at the time of purchase in the three highest classifications established by at least on nationally recognized standard rating service and purchased through a registered securities broker or dealer.

- c. The aggregate value of the bonds or other obligations does not exceed twenty percent of interim money available for investment at the time of purchase.
- d. The treasurer or governing board is not the sole purchaser of the bonds or other obligations at original issuance.
- e. No investment shall be made under division (B)(4) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B)(4) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

F) The State Treasurer's investment pool (STAR OHIO), as provided in Section 135.45, of the Ohio Revised Code.

G) Up to forty per cent of interim moneys available for investment in either of the following:

- a. Commercial paper notes issued by an entity that is defined in division (K) of section 1706.01 of the Revised Code and that has assets exceeding five hundred million dollars, to which notes all of the following apply:
  - i. The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized statistical rating organizations.
  - ii. The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.
  - iii. The notes mature not later than two hundred seventy days after purchase.
  - iv. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five per cent of interim moneys available for investment at the time of purchase.
- b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than one hundred eighty days after purchase.

No investment shall be made pursuant to division (G) of this section unless the Finance Director has completed additional training for making the investments authorized by division (G) of this section. The type and amount of additional training shall be approved by the

Treasurer of State and may be conducted by or provided under the supervision of the Treasurer of State.

#### **9.0 Collateralization:**

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

The City of Montgomery chooses to limit collateral to federal deposit insurance, surety company bonds, specific pledged securities, or a public depository's established pool of collateral.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

The right of collateral substitution is granted.

#### **10.0 Safekeeping and Custody:**

All security transactions, including collateral for repurchase agreements, entered into by the City of Montgomery shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts.

#### **11.0 Diversification:**

*The City of Montgomery will diversify its investments by security type and institution. With the exceptions of U.S. Treasury securities and the State Treasurer's investment pool, no more than 30% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution.*

#### **12.0 Maximum Maturities:**

The Finance Director may invest public moneys of the City of Montgomery in authorized securities which mature within five years from the date the investment was purchased except as follows:

A) Repurchase agreements shall not exceed thirty days.

### 13.0 Internal Control:

The Finance Director shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

### 14.0 Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City of Montgomery's investment risk constraints and cash flow needs.

#### 14.1 Market Yield (Benchmark):

*The entity's investment strategy is active. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the six-month U.S. Treasury Bill.*

### 15.0 Reporting:

The Finance Director is charged with the responsibility of including a market report on investment activity and returns in the City of Montgomery's Financial Reports.

### 16.0 Investment Policy Adoption:

*The City of Montgomery's investment policy shall be adopted by resolution of the City of Montgomery's legislative authority. The policy shall be reviewed on an annual basis by the Finance Committee and any modifications made thereto must be approved by the Council.*

*These Minutes are a draft of the proposed minutes from the Financial Planning Committee of City Council meeting. They do not represent the official record of proceedings until formally adopted by the Government Affairs Committee of City Council.*

City of Montgomery  
Financial Planning Committee Meeting  
May 6, 2024

Present

Brian Riblet, City Manager  
Maura Gray, Finance Director  
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair  
Lee Ann Bissmeyer  
Craig Margolis

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The Financial Planning Committee of Council convened its meeting for May 6, 2024 at 4:40 p.m. at City Hall with Mr. Suer presiding.

March 2024 Income Tax Report

Ms. Gray reported for the month of March, the City's total income tax receipts were \$1,030,586 which is a decrease of \$137,561 or (11.8%) when compared to the 2023 March collections of \$1,168,147. Actual collections are up 1% over estimated collections.

Ms. Gray explained that in March 2024, net profits from businesses located within or doing business within Montgomery were \$51,322. This is a decrease of \$45,021 or (46.7%) when compared to March 2023 collections of \$96,344.

Ms. Gray explained that revenues of \$98,320 were collected in March 2024 from individual tax accounts in Montgomery. This is a decrease of \$73,693 or (42.8%) when compared to March 2023 collections of \$172,013.

Ms. Gray explained that March 2024 withholding collections were \$880,944; a decrease of \$18,846 or (2.1%) when compared to March 2023 collections of \$899,790. Overall, year-to-date collections are up 2.2% from last year.

Ms. Gray closed in saying that overall, the City's March year to date collections have exceeded the 2023 March year to date collections by 2.2%.

RITA Summary Update

Ms. Gray provided an update to the Committee on the April tax season and the level of customer service that RITA provided to residents and staff. Ms. Gray stated that she felt it all went very smoothly and was impressed by the high level of customer service received by staff and residents. She stated that the feedback has been very positive.

Mr. Riblet stated that staff would be looking to identify areas where RITA captures owed earnings that the City does not have the ability to collect to see if it offsets their fees.

Ms. Gray stated that so far, RITA has found 165 accounts that were not set up due to their ability to cross reference to federal filings. She stated that 40 of those were businesses operating out of homes.

*These Minutes are a draft of the proposed minutes from the Financial Planning Committee of City Council meeting. They do not represent the official record of proceedings until formally adopted by the Government Affairs Committee of City Council.*

Financial Planning Committee Minutes  
May 6, 2024  
Page 2

### Other Business

Ms. Gray explained that at a future Committee meeting she would be proposing a review of the Investment Policy to focus on Section 8 of the policy regarding commercial paper, a short-term debt obligation which is often a more affordable alternative to getting a loan from a bank.

Mr. Riblet explained to the Committee that staff, being aware of the increase in health care premiums, are working with the Health Care Benefits Committee to find alternatives to reduce the increases. He stated that they will be researching different formats of the Health Savings Account (HSA) contributions and will continue to educate staff on how to manage that and to collectively work together to find ways to manage the costs.

Ms. Gray stated that she also finds it would provide clarity to staff if the HSA timeframe for renewals would match the calendar year and plan year.

### Minutes

Mr. Margolis moved to accept the minutes of the April 1, 2024 meeting of the Financial Planning Committee as amended. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

### Adjournment

Mr. Margolis moved for adjournment. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 5:10 p.m.

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Chair