2012 Montgomery Annual Report

About this report

The annual report is a comprehensive document detailing the achievements across all City departments and includes a full financial record for 2012.

Mission

"Providing superior services with integrity. Partnering with you to build a great community!"

This report outlines how Montgomery City Council and City staff worked to deliver on this mission in 2012.

About Montgomery

Contained in a land area of 5.3 square miles, the City of Montgomery is located in northeastern Hamilton County, 12 miles from Cincinnati. The community was settled in 1795-96 by residents from two New York towns, Montgomery and Hopewell.

Since its founding, the community attracted additional residents, leading to its incorporation in 1910. Much of the community's growth has occurred in the last 35 years as development continued its northward advance along the interstate systems of southwest Ohio. Today, Montgomery has approximately 3,800 housing units and is home to 10,163 residents.

Montgomery derives much of its operating revenue from a one percent (1%) earnings tax to help fund a full range of City services, undertaken by 65 full-time and 40 part-time employees. Services provided by the City of Montgomery include: police and fire protection, development plan review and building inspections, recreational programming, maintenance of seven parks, street maintenance and snow/ice control of 92 lane-miles of roadway, as well as a host of other City programs.

Montgomery is located in the Sycamore Community Schools district, which has drawn national recognition for academic excellence. Sycamore Community Schools operates four elementary schools, an intermediate school, a junior high school and a high school.

Montgomery is home to a variety of commercial enterprises including: Bethesda North Hospital, Ohio National Financial Services, Columbia Chevrolet, Camargo Cadillac and many banking institutions just to name a few. In addition, the historic

downtown is a thriving retail and dining area, including the famous Montgomery Inn Restaurant. The addition of the Triangle/Gateway Center development in 2007 brought several new businesses to the downtown area, including the very popular Stone Creek Dining Company.

The City of Montgomery is also home to several churches of various denominations and other types of religious institutions.

Vision

Montgomery City Hall, 10101 Montgomery Road

The community is unique and forward thinking, yet respects its rich history and tradition. Our citizens bring diversity in background, belief and talents, and recognize their essential role in the success of our community. We have unique and prosperous businesses, making us the leading destination for entertainment, shopping, medical, and professional services, and employment opportunities. The Heritage District is a vibrant reminder to residents and visitors alike of the importance of blending history with excitement for a prosperous future.

City services are delivered by a responsive, transparent, and accessible local government providing high quality, innovative programs, services, and facilities that are nationally recognized and financially self-sustainable. Our employees are our most valuable asset and represent the very best in public service. We work in partnership with our citizens, businesses, and organizations to create community, and benefit from their participation, contributions, and ownership. We respect and

nurture our environment, natural resources, and urban forest for current and future generations.

Our award winning City is recognized as THE place to live, work and play through diverse, high-quality housing options, safe neighborhoods, renowned schools, outstanding parks, unique special events, thriving businesses and most importantly – active engaged citizens!

We are Montgomery!

Administration

The administration department is comprised of the City Manager, the Human Resources Manager and the Administrative Coordinator. Under the City Manager, the administration department provides professional leadership in the execution of City Council policies and the management of the City. The department is responsible for overseeing the coordination and direction of all City services and serves as a liaison between the City of Montgomery and other organizations.

Personnel Changes and Achievements

City Manager Wayne S. Davis

Along with new opportunities and new challenges, 2012 was a year of "new faces" for the City of Montgomery. Due to a number of resignations and retirements, the City welcomed a total of six new full-time hires with a new hire in almost every department. The challenge to fill these vacancies was an opportunity to recruit new staff who bring their own unique sets of talent and knowledge. Also, Wayne Davis was promoted to the position of City Manager in May.

It should be noted that two employees reached major milestones in 2012. Public Works Director Bob Nikula and Police Officer Don Jasper retired from the City of Montgomery to pursue new interests and passions. The City benefited from their many years of service.

New Opportunities and New Challenges

The old maxim, "the only thing constant is change", was certainly true for the City of Montgomery in 2012. The year presented the organization with many changes representing both new opportunities and new challenges.

After several years of a sluggish national economy, new development and redevelopment opportunities began to emerge in 2012. Initial work with developers on designs and concepts on properties on both the north and south ends of the City provided excitement about the possibility of transformation. The proposal of a large medical office user at the Vintage Club site, and a mixed-use concept plan for the Ford and Chevy dealerships at the corner of Main Street and Montgomery Road, are cornerstone projects that will become key business expansions in this community. Several other projects, including new business construction at the former Perkins site, added excitement to the economy in 2012. To ensure positive momentum in development, the City also entered into a contract with Ice Miller Whiteboard to identify strategies for the City to recruit new economic development. Much of this work was driven through priorities and actions established in the 2011-2016 Strategic Plan.

Proposed medical building on Vintage Club site

Shared Service Opportunities

Overall, the City continued on its well-established course of financial stability, community engagement and innovation in quality service delivery. Changes enacted at the State level resulting in reduced revenues for local governments was a challenge turned into an opportunity to further explore the concept of shared services with neighboring jurisdictions. The City submitted a joint grant application with the City of Blue Ash and the Sycamore Community Schools and received a Local Government Innovation Fund grant of $60,225 for research of shared service opportunities among the three entities. The City explored other shared service opportunities throughout the year by attending and presenting at events and symposiums such as the Greater Cincinnati Shared Services Summit and convening area departments to discuss possibilities for collaboration.

Strategic Planning

In 2012, steady progress was made on the City's 2011 – 2016 Strategic Plan. The five-year plan encompasses six major goal areas: Economic Development, Finance, Organizational Structure and Workforce, Community Engagement, Quality of Life and Facilities. Each major goal area is staffed by a team of employees tasked with carrying out well-defined implementation steps designed to accomplish the goal objectives.

Strategic Plan Goal Completion Percentage
2011–2016 Strategic Plan

Goal	Percentage Complete
Goal 1 – Development	~54
Goal 2 – Finance	~28
Goal 3 – Workforce	~41
Goal 4 – Community Engagement	~45
Goal 5 – Quaity of Life	~15
Goal 6 – Facilities	~25

Percentage Complete

The comprehensive inventory and review of City services is one example of the strategic plan work performed in 2012. As part of Strategic Plan Goal Three, all departments compiled inventories of the services they provide. The departments ranked each service as "critical", "core" or "quality of life" in order to identify those services which must be provided and those services which contribute to the overall well-being of the community, but are not essential or legally mandated. Each department's critical, core and quality of life categorizations were reviewed by another department to obtain a different perspective. A team of citizens conducted a final review of the categorizations to provide a perspective from the public. This work will help provide the basis for determining what services the City should provide in the future, what is the "right-quality" of these services and what is the most efficient and effective method of delivering these services.

MCLA Class of 2012 in mock council session

Goal Four of the City's Strategic Plan is Community Engagement and emphasis on community engagement efforts continued to be strong in 2012. In its fifth year, the Montgomery Citizens' Leadership Academy has become the "signature piece" of the City's community engagement efforts. With a graduating class of 26, the five-year total of residents-turned-citizens now stands at 134. Of these graduates, 22 serve on boards and commissions and two serve on City Council. Other community engagement efforts in 2012 included the second annual Connect Montgomery's Making a Difference Day, a Neighborhood Leaders Luncheon and continuation of the New Resident Welcome Program performed in partnership with Sycamore Community Schools and the City of Blue Ash. In addition, community engagement staff and fire department staff collaborated on a new program called the Community Emergency Response Team (CERT). The CERT Team is comprised of 23 Montgomery residents trained to assist others in the event of a disaster or emergency in the community.

Achievements

During 2012, the City of Montgomery was formally recognized for a number of achievements. Highlights include the following:

- The City received the "Standard of Excellence" award from the Miami Valley Risk Management Association for loss year 2011. This award is given to all cities that have losses of $100 or less per employee. The City of Montgomery was the Overall Winner in Safety with no losses for 65 full-time employees.
- The Government Finance Officers Association (GFOA) awarded the City the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. This is a great honor for the City of Montgomery, as it is the highest form of recognition in governmental accounting and financial reporting.
- The Government Finance Officers Association also awarded the City a Popular Annual Financial Report (PAFR) award for its 2010 Annual Report. The PAFR award criteria include creativity, presentation, understandability and reader appeal.
- Once again, the City received a Tree City USA Award and a Growth Award. This marks the 17th consecutive year for the Tree City USA recognition and the 14th Growth Award the City has received since 1998.
- For the second consecutive year, the City of Montgomery received the American Automobile Association's (AAA) platinum award for "astounding" success within the area of traffic safety.
- The City was a finalist in the Business Courier's 2012 Healthiest Employers Award competition for the "small employers" category.

Clearly, 2012 was a year of new opportunities and new challenges for the City of Montgomery. With new leadership and a renewed staff, the City is positioned to carry forward its tradition of maintaining financial stability, fostering community engagement and seeking innovation in quality service delivery.

City Council

The City of Montgomery operates under a Council-Manager form of government with seven elected City Council members working with a city manager appointed by City Council with the support of a clerk of council and a law director. All City Council members are elected at large by a popular vote of City residents for staggered terms of four years. Once seated, City Council members select the Mayor who serves in that position for a two-year term.

City Council is responsible for establishing policies and enacting legislation necessary for municipal operations. City Council appoints the City Manager and Law Director. By charter, the City Manager serves as the City's chief executive, administrative and law enforcement officer.

City Council operates with six standing committees: Financial Planning; Government Affairs; Law and Safety; Parks and Recreation; Planning, Zoning, and Landmarks and Public Works.

While City Council members are very busy in their roles as elected officials, their work is largely centered in determination of policy. During 2012, City Council conducted public meetings, regular meetings, special sessions and committee meetings.

In an effort to improve communications between City Council and the boards, commissions and civic organizations, several initiatives were undertaken including:

- Each Board/Commission Chair was invited to attend a discussion meeting to update City Council members on the activities and work of their respective board/commission for the previous year.
- City Council and the administration conducted an annual member Board and Commission Orientation session. This training/education session gave new board and commission members the tools they needed to perform their valuable work and at the same time, enhanced communications between the board or commission, City Council and staff.
- A Community Leadership Forum was held and represented an opportunity for volunteers, representatives of neighborhood associations and civic groups, elected officials and administration to discuss major issues, activities on suggested topics of interest of forum participants.

As part of the City Council's responsibilities for establishing policies and enacting legislation, it oversaw operations and administration of a cash budget of $18,034,878 and adopted 53 ordinances and resolutions, the highlights of which follow:

2012 Council Action

| Mayor Ken Suer | Vice-Mayor Todd Steinbrink | Councilmember Gerri Harbison | Councilmember Lynda Roesch | Councilmember Barry Joffe | Councilmember Chris Dobrozsi | Councilmember Craig Margolis |

- Amended the allocation of earnings tax revenues
- Designated Kemper Road as a through highway and exercised local authority for positioning stop signs along the Kemper Road corridor
- Created a Tax Diversion Program for violations of the Tax Ordinance
- Created a diversion program for violations of drug offenses
- Adopted a tax budget for 2013
- Adopted a five-year Capital Improvement Program for the City of Montgomery
- Authorized the City Manager to enter into contracts with CDS Associates, Inc. for professional services related to general engineering and architectural services; with Frost Brown Todd, LLC to provide special counsel services; with the Blue Ash/Montgomery Symphony Orchestra to perform two concerts in 2012 and 2013; with the Hamilton County General Health District for public health services during 2013; with Cincinnati Bell Telephone Company for professional services related to digital telecommunication, internet and analog business line services; and with National Inspection Corporation for building plan review and inspections
- Authorized the City Manager to enter into a labor agreement with the Montgomery Firefighters IAFF Local 4391 for wages and benefits from April 1, 2012 through March 31, 2015

- Authorized the City Manager to enter into an urban paving project agreement with the Ohio Department of Transportation to plane and resurface US-22 in Montgomery and gave consent to the Director of Transportation to resurface US-22 between Schoolhouse Lane and Pfeiffer Road through the Urban Paving Program
- Authorized the City Manager to enter into contracts with Ohio Irrigation Lawn Sprinkler Systems, Inc. dba Buckeye Lawn and Landscaping for lawn mowing services; with Barrett Paving Materials, Inc. for the 2012 Street Resurfacing Program; with American Pavements, Inc. for the 2012 Bituminous "Black Mat' Surfacing Project; and with Westside Paving & Excavating, Inc. for the resurfacing of the Weller Park tennis courts.
- Authorized the City Manager to enter into a contract with Statewide Ford for the purchase of two police cruisers; with Millennium Business Systems, Inc. and Great America Leasing Corporation for the purchase/lease of copier equipment; with Middletown Ford for the purchase of a 2013 Ford Explorer and Murphy Tractor and Equipment Co. for the purchase of a 2012 John Deere 310K Backhoe
- Supported a grant partnership with Sycamore Community Schools and the City of Blue Ash
- Declared a moratorium on the collection of Environmental Impact Fund fees
- Approved the update of the Solid Waste Management Plan of the Hamilton County Solid Waste Management District
- Created a Tax Amnesty Program for taxpayers
- Opposed the passage of House Bill 601 by the Ohio General Assembly which proposes uniformity measures for municipal income tax in the form of unfunded mandates and a substantial loss of revenue.

Community Development

The building and development department is in charge of administering the building and zoning codes of the City as well as property maintenance code enforcement. The department is comprised of two full time staff, the Director and City Planner, with support from the customer service staff and an inspector in the public works department. The City contracts with National Inspection, Inc. for building and electrical permits and inspections and the Hamilton County Health Department does plumbing plan review and inspections. In addition to building permitting, the development department is also responsible for strategic and long-range planning, economic and business development and general community development projects. It provides staff support to the Planning Commission, Landmarks Commission and the Board of Zoning Appeals.

Development Activity

First Financial Bank opened for business in 2012

After several years of a sluggish national economy, new development and redevelopment opportunities began to emerge in 2012. Transformation of the old Perkins site into the Montgomery Gateway Center II began in earnest. The vacant Clossons site was redeveloped for the relocated First Financial Bank and Kenwood Lincoln Mercury refurbished the old Jaguar property and relocated from Kings Auto Mall. In total, 17 new businesses opened during 2012, nearly double the nine new businesses started during 2011. Some noteworthy additions included the opening of Clark's Pharmacy, Walker Brothers Ice Cream, Peaches Skin Care, Vintage Marketplace, Hanamiya-Beautiful Japan in the Historic District and three new businesses in the Schoolhouse Plaza Shopping Center. That center is expected to join Montgomery Square Shopping Center and Village Corner as being fully rented.

Vintage Club Development

Artistic rendering of the Vintage Club when complete

Perhaps the most promising of all was the renewed activity at the Vintage Club. Positive movement on a development plan for approximately one-half of the 13 undeveloped acres in the 'village' section occurred in 2012. A large medical office building, a retail building and parking garage were included in final plans submitted by the developer at the end of the year. It is hoped that this project will proceed and be under construction in 2013. At the other end of Montgomery Road, the owner of the old Chevrolet site, following the development of a concept plan by the City with input from nearby residents, presented a plan to the Planning Commission which envisions a mix of new residential, office and retail use.

The City took proactive measures to encourage and attract additional development and new businesses. For example, the City hosted its second economic development luncheon for commercial realtors, owners of multi-tenant commercial properties and developers in order to share information on available properties, as well as to gather useful suggestions from the attendees on how the City could expand its economic development efforts. The City also entered into a contract with Ice Miller Whiteboard to identify strategies for the City to recruit new economic development. All of these activities were driven by the City's five-year strategic plan.
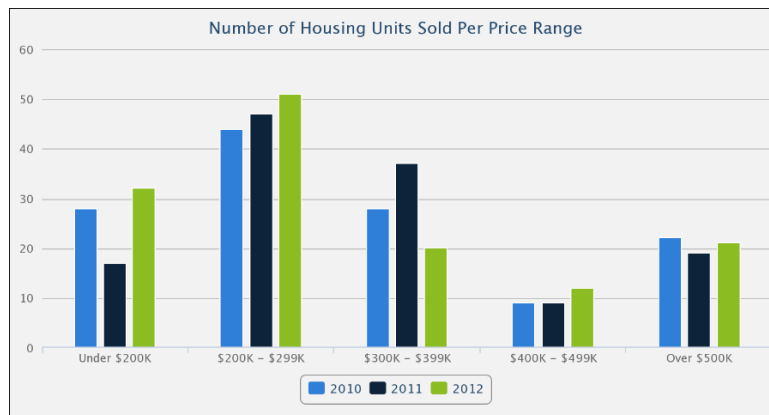
Commercial Development

A total of 24 commercial building permits for new construction and expansion were issued in 2012, a significant increase over the past several years. The total value of improvements was $14.1 million. It was not just the commercial sector that was becoming active. The building department also issued 20 permits for new homes and 51 residential remodeling/room additions. The total value of residential construction was estimated at $11.4 million.

Community Engagement

The community engagement department is responsible for management of the City's communications and volunteer engagement efforts including citizen involvement and operations of recreation programs, special events and pool management. The mix of these different areas of responsibility affords the department many opportunities to work collaboratively with other City departments as well as with many local associations and businesses to enhance our communications and improve the quality of life in Montgomery.

Building Connections

Community engagement is the City's effort to organize our greatest resource, the community, in the work done in service to Montgomery. One aspect is to build the capacity of the local community groups whether through Connect Montgomery's

collaborative efforts, partnerships with the Montgomery Chamber of Commerce and engagement with the Montgomery Citizens' Leadership Academy (MCLA) Alumni. In 2012, responsibility was shifted onto MCLA Alumni to take more ownership of Alumni projects and related events. The MCLA Alumni hosted this year's Reunion Summit in early September. Alumni also volunteered for many of the Connect Montgomery's Making A Difference Day projects; Montgomery Elementary beautification project, Crayons to Computers, Ronald McDonald Children's House and the Adopt-A-Spot.

Making A Difference Day

Connect Montgomery hosted its second annual Making A Difference Day (MADD) in mid-October of 2012. Responsibility for the organization of the event, including recruitment of participating organizations and coordination of the projects, shifted to an organizing committee facilitated by City staff. In 2012, 400 individuals from 26 different organizations participated; seven collaborative service projects united two or more service organizations; almost $200 was collected at the Kick-Off Breakfast and donated to Operation Give Back; volunteers donated more than 1,000 hours of service on 18 different projects at 12 separate locations; 7,000 pounds of documents were shredded and Ascension Lutheran Church's community food drive for the NEEDS emergency shelter netted 300 food items. Participation grew 62% in one year!

Involving Citizens as Partners

Volunteer Data

Year	Number of Volunteers	Volunteer Hours	Value
2007	535	3,050	$57,250
2008	500	2,500	$49,000
2009	430	1,987	$41,429
2010	500	n/a	$98,000
2011	452	5,122	$102,438
2012	518	5,037	$100,749

The efforts to increase participation, link interests with needs and fill board and commission vacancies increased in 2012 through new efforts in outreach, marketing and recognition.

Eight community members were recruited and appointed to fill vacancies on the City's Boards and Commissions. In addition, hundreds of volunteers (teens and adults) served in an episodic volunteer role, sharing numerous hours of their time

to assist City staff and to enhance our programs and events. The chart to the right shows the growth and value of the work, time and effort put in by the many volunteers who made a difference working with the City of Montgomery.

Volunteer Recognition Events

2012 Volunteer Dinner

New in 2012 was the addition of three volunteer recognition events. The Board/Commission Members' Recognition Dinner was hosted at the Montgomery Inn, showcasing volunteer accomplishments and recognizing volunteer leaders from the City Boards and Commissions. To recognize all 2012 volunteers, a 'free day' at the Community Pool was held in August and an ice cream social and scavenger hunt was held in Swaim Park in September. Volunteers were recognized for sharing their valuable time and varied talents to enhance our community with personal letters of thanks and these fun events. The calculated dollar value of our volunteers as contributing citizens in the community exceeded $100,000!

Enhancing the Quality of Life

Montgomery Community Pool

Recreation programming met the interests and needs of a variety of users with special events like Dog Fest and the enhanced Car Show while continuing great traditions such as Bastille Day and Harvest Moon. Programs also ranged from arts and sciences to sports and fitness activities. Local sponsors and partnerships added to the revenues generated for these community-building activities.

Pool membership options and the referral program increased pool memberships by five percent in 2012. In the past five years, memberships averaged 472. The patron survey indicated a satisfaction rating of excellent in staff courtesy, facility maintenance and amenities and value of membership.

Staff continued to enhance the work of the Parks and Recreation Commission, the Sister City Commission and the Arts Commission as liaisons to these groups that provide quality of life services in the community. This work included responsibility for the International Reception, All Fired Up! art show, Live at the Uni musical performances, July 3 Concert and the 26th Annual Photo Contest and Exhibition.

Other Results of Community Engagement Efforts

- Recruited 36 applicants for the 2013 Class of MCLA
- 182 new residents welcomed with a packet and a personal note; 1,500 invited to a welcome event coordinated with Sycamore Schools
- Co-produced the Montgomery Shopping Guide with the Montgomery Chamber of Commerce
- Supported 15 member organizations of Connect Montgomery with a new website
- Hosted two Neighborhood Leaders Forums; reaching 17 Montgomery neighborhoods
- Offered 17 City-wide events including hosting a record number of cars at the Car Show and a record number of photos for the annual Photo Contest
- Offered 62 recreational programs for youth, adults and special interests
- Hosted nearly 10,000 patrons at the Montgomery Community Pool in 101 days
- Launched the City's first mobile application, The Johnson Nature Preserve App

Johnson Nature Preserve Mobile App
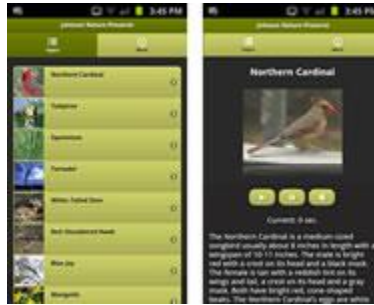
Johnson Nature Preserve, located on Deerfield Road, now has a mobile app that is designed to help users learn more about the nature they enjoy in this passive park. The app provides audio presentation, text and pictures on the many animals, plants and trees native to this park. There is also a story on the history of the park starting back when this area was the hunting grounds of the Miami and Shawnee tribes. Perfect for scout troops, science and nature class field trips and just a day in the park, this app expands the educational experience of Johnson Nature Preserve. The app was a Parks and Recreation Commission project led by commissioner John Tholking and coordinated with City staff. The app is free to download from Google Play or ITunes as Johnson Nature Preserve Montgomery.

Special Awards and Recognition

- $1,500 grant from ArtsWave awarded to the Arts Commission for Live at the Uni performances
- Miami Valley Risk Management Award for Zero Losses for 11 Consecutive Years

Customer Service

The customer service department provides assistance to citizens living in, working in and visiting Montgomery. Citizens can reserve a lodge or park shelter, sign up for the latest event or recreation class being offered, apply for building, zoning or sign permits and receive assistance on zoning questions. The customer service department also manages the technology infrastructure of the City which includes the website, e-government services, employee appraisal software system and technical support to all City staff. The customer service department is managed by the Customer Service Director, and is staffed by two full-time customer service representatives.

Connie Gaylor

Personnel Changes

2012 was a one of change for the customer service department. In April, Chelsey Degenhardt resigned from her position with the City of Montgomery to pursue other goals. Chelsey remains involved in the organization and recently contributed artwork for the 2012 City Holiday Card. Connie Gaylor was hired in June to fill the

vacant position. Connie's past experience working at the Little Miami School District and the City of Lebanon has greatly enhanced the operations and service delivery of the City of Montgomery.

Service Enhancements and Efficiencies

Several service enhancements were led by the customer service department in 2012.

- Based on customer feedback, the lodge and shelter reservation pages on the City website were redesigned to make them aesthetically pleasing as well as user-friendly.
- Park picnic shelters have been updated to include a posting notifying visitors of shelter reservations. This has virtually eliminated shelter conflicts.
- Updates to ConnectMontgomery.org were completed in partnership between the customer service and community engagement departments. The new website is much simpler to use and is easily updated by members of Connect Montgomery.
- A database of business and residential addresses was created to store all development interactions such as building permits, zoning permits, sign permits and property violations for each address. This method of electronic storage will not only provide desktop availability of all information related to a specific address, but will follow the State's provision for record retention and destruction. This process, when completely implemented, will create efficiencies in our filing process as well as much needed filing space.
- The internal employee performance appraisal process and forms were updated to make them more streamlined and conducive to evaluating and improving employee performance.
- The technology in the City Council Chambers was updated to replace the portable projector and laptop with a more professional Smart Board that can be used in any meeting space in City Hall.
- The City email system was replaced with an online service that will increase reliability, redundancy and offer additional features to streamline communications among City staff.

Cost Savings

- The contract for copier maintenance and support was put out for bid and awarded to Millennium Business Systems in February. This new contract will result in an annual savings of over $12,000 per year.
- Telecommunications and Internet service was contracted with Cincinnati Bell in November resulting in a savings of $13,000 per year.

Finance

The finance department is responsible for preparing and maintaining the operating and capital budgets, cash management and investments, purchasing, payroll and income tax collections. The finance department consists of two offices; income tax and accounting.
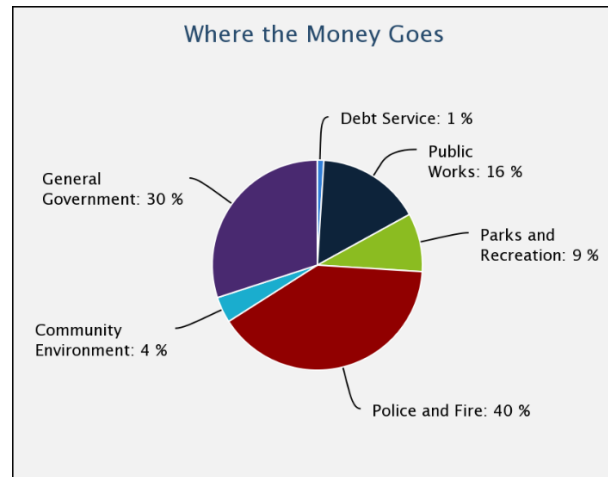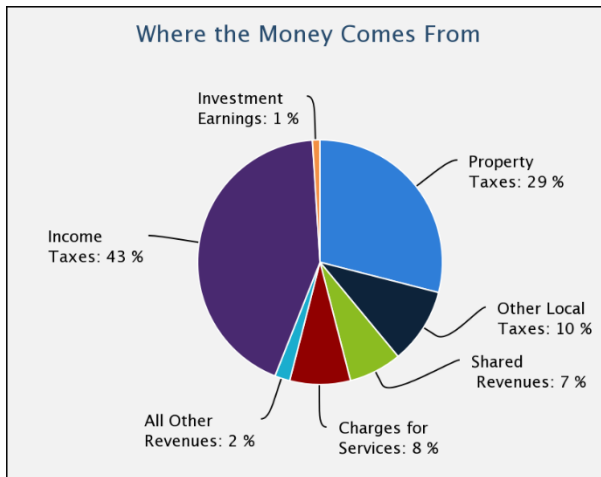
In 2012, Montgomery's operating budget totaled $14.8 million. In addition to the operating budget, the City's finance department administers a capital budget, with a four-year cash forecast.

In 2012, the finance department continued its participation in the City's performance measurement process. This effort involves the tracking and collecting of performance measurement data, which will ultimately be used by the department and the City to benchmark against finance departments in other municipalities.

Revenue and Expenditures

The charts titled "Where the Money Comes From" and "Where the Money Goes" provide a snapshot of how resources are collected and programmed for expenditures. In 2012, the finance department was responsible for the collection of approximately $7.2 million in income tax revenue and $4.8 million in property tax revenue. In addition, the department is responsible for managing an investment portfolio of more than $20 million, which generated investment income of approximately $203,020.

As with most municipalities, public safety, property protection and emergency services are the largest single governmental function. General government and public works account for over 46% of the remaining expenditures.

Where the Money Comes From

Investment Earnings: 1 %
Property Taxes: 29 %
Income Taxes: 43 %
Other Local Taxes: 10 %
Shared Revenues: 7 %
All Other Revenues: 2 %
Charges for Services: 8 %

Where the Money Goes

Debt Service: 1 %
Public Works: 16 %
General Government: 30 %
Parks and Recreation: 9 %
Community Environment: 4 %
Police and Fire: 40 %

The finance department prepares quarterly and annual reports including the Comprehensive Annual Financial Report (CAFR). In 2012, for the seventeenth consecutive year, the City was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2011 CAFR. The Moody's Investor Services continues to recognize the City's credit worthiness by assigning an Aaa credit rating to our debt. Montgomery is one of only sixteen communities in the State of Ohio to be rated in this category.

Income Tax Revenue

As depicted in the graph to the right, income tax collections rose dramatically in 2008 from 2007, as a result of construction activity with one of the City's major employers. However in 2009, income tax revenues decreased 10% from the amount collected in 2008.

Income Tax Revenue

10M
7.5M
5M
2.5M
0M
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012
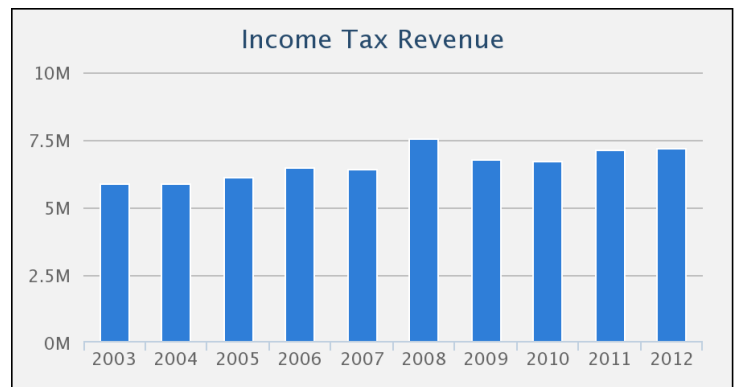
For purposes of balancing operations with capital investments and related debt service, City Council passed Ordinance Number 21, 2006 which distributes the income tax revenues into three funds according to the following allocation: 67% to the General Fund, 25% to the Capital Projects Fund and 8% to the General Bond Retirement Fund.

The line chart titled "Total Revenues and Expenditures including General Fund 2003-2012 provides a historical perspective of the City's ability to program and budget services, capital improvements and related debt service within the resources provided through the annual budget process.

Total Revenues and Expenditures Including the General Fund

Legend: Total Revenues ● Total Expenditures ◆ General Fund Revenues ■ General Fund Expenditures ▲
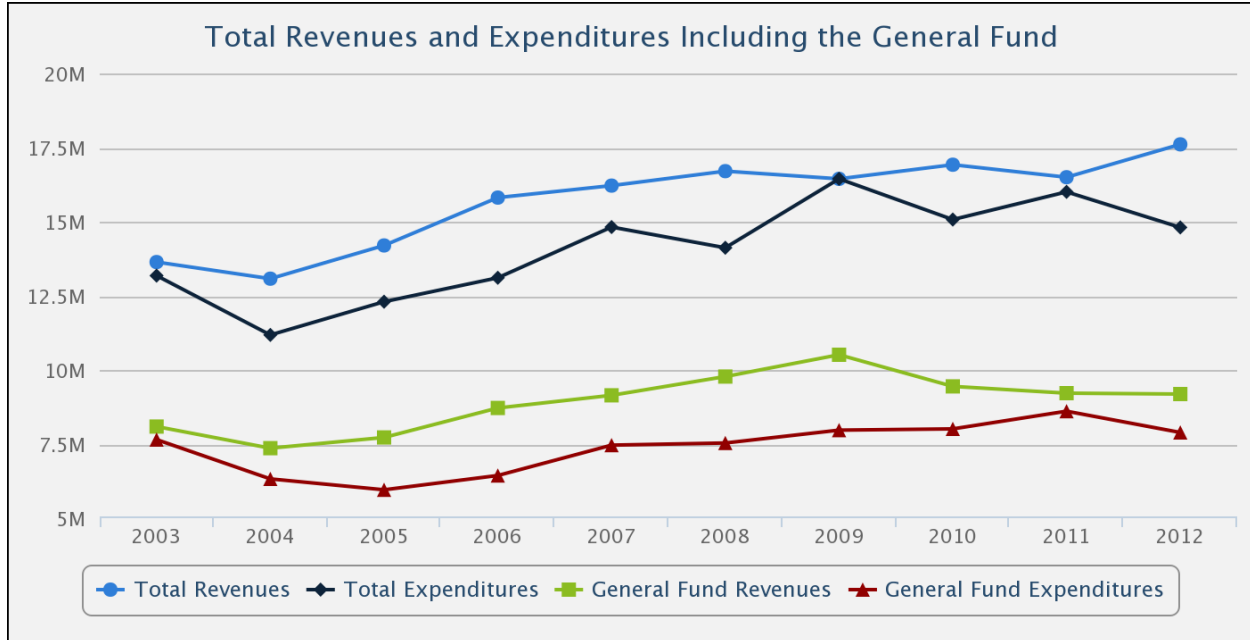
Sound Financial Policies

In order to maintain a sound fiscal environment, City Council has adopted an array of financial policies:

Investment Policy: The graph titled "Investment Income" reflects revenues which range from $223,162 in 2003 to $203,020 in 2012. City Council adopted an investment policy which applies to cash management and investment activities of the City of Montgomery. The policy is reviewed periodically and updates are adopted by Council. The primary objective of the City's investment activities is the preservation of capital and liquidity, maximizing investment income and conforming to State laws governing the investment of public funds.

Investment Income
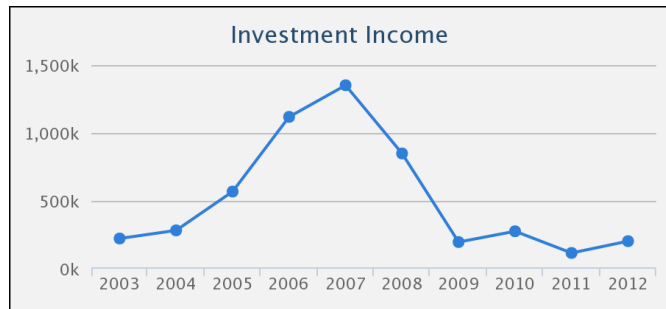
Fund Balance Policy: The fund balance is a key measure of the City's overall financial health. City Council adopted a policy requiring maintenance of a six to twelve-month reserve of operating expenditures for the General Fund, a minimum cash balance of $1,000,000 in the Capital Improvement Fund and one year of debt service payments in the General Bond Retirement Fund. The graph titled "General Fund Balance - Budget and Actual" depicts that actual year-end fund balances have exceeded budget estimates.

General Fund Balance

Budget ■ Actual
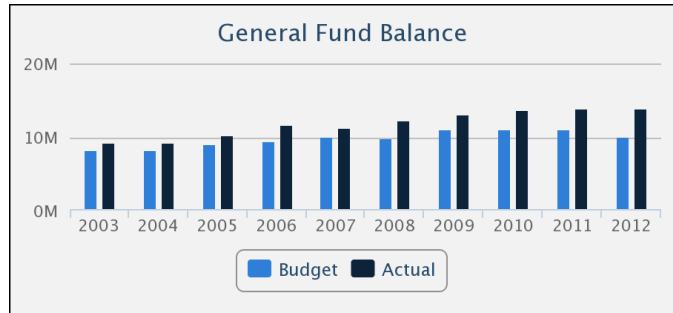
Long-Term Debt: On December 31, 2012, the City had $2,800,165 of bonded debt; of this amount $2,720,000 is general obligation debt and $80,165 is special assessment debt. As a result, the City has reduced its outstanding debt per capita from $936 in 2003 to $126 in 2012. The chart below depicts the total outstanding debt for the City over the last ten years.

Debt Per Capita
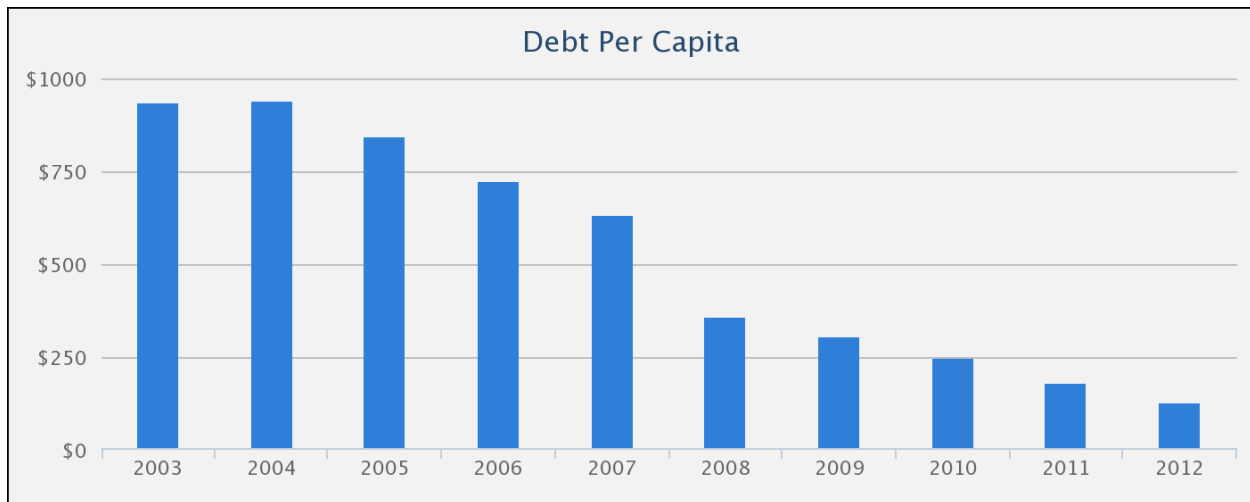
Financial Activity and Position Statements

Readers of the City of Montgomery's Financial Activity Statement and Financial Position Statement should keep in mind that both statements are presented in conformance with Generally Accepted Accounting Principles or GAAP) basis. The amounts shown employ the same method of accounting and are summarized from the audited financial statements within each respective Comprehensive Annual Financial Report.

The following is a summary of the financial activity and financial position of the City:

FINANCIAL ACTIVITY STATEMENT
For the years ending December 31
(in thousands)

SOURCES OF REVENUES	2012	2011
Property Taxes	$ 4,832	$ 5,265
Income Taxes	7,163	7,126
Other Local Taxes	1,686	1,070
Intergovernment Revenues	1,176	1,605
Charges for Services	1,332	1,128
Investment Earnings	203	276
All Other Revenues	329	172
TOTAL SOURCES	**16,721**	**16,642**
USES AND EXPENSES		
Security of Persons and Property	5,938	5,626
Parks and Recreation	1,350	1,385
Community Environment	516	460
Public Works	2,369	2,701
General Government	4,436	3,903
Debt Service	149	187
TOTAL USES	**14,758**	**14,262**
TOTAL SOURCES		
OVER USES	**$ 1,963**	**$ 2,380**

Note: The Financial Activity Statement, known in accounting terms as the "Income Statement", provides a summary of the sources (revenues) and services (expenditures/expenses) of the City.

FINANCIAL POSITION STATEMENT
As of December 31
(in thousands)

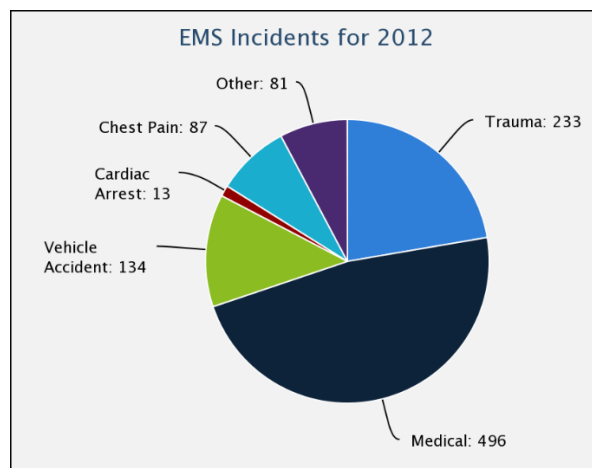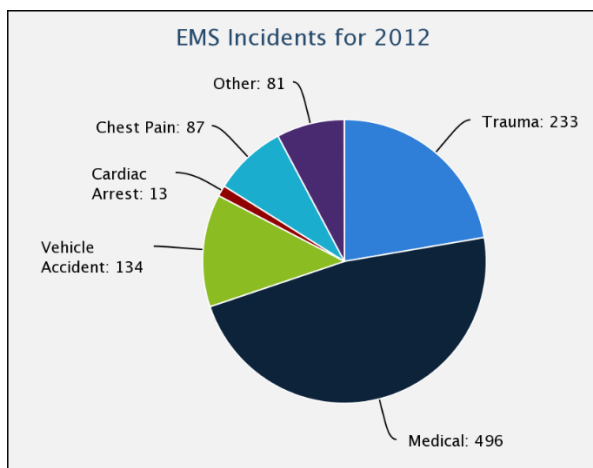| FINANCIAL BENEFITS	2012	2011
Cash	$ 10,960	$ 8,476
Investments	19,976	19,480
Receivables	9,218	11,654
Property and Equipment	38,800	39,445
Other Benefits	42	26
TOTAL FINANCIAL BENEFITS	**78,996**	**79,081**
FINANCIAL DETRIMENTS		
Amounts Owed to Vendors	223	353
Amounts Owed to Employees	436	418
Accrued Interest	9	10
Long-Term Debt	2,756	3,117
Other Liabilities	5,019	6,593
TOTAL FINANCIAL DETRIMENT	**8,443**	**10,491**
TOTAL BENEFITS		
OVER DETRIMENT	**$ 70,553**	**$ 68,590**

Note: The Financial Position Statement, known in accounting terms as the "Balance Sheet", reports the benefits (assets) available to provide services while detriments (liabilities) are the amounts for which the City must pay in the future.
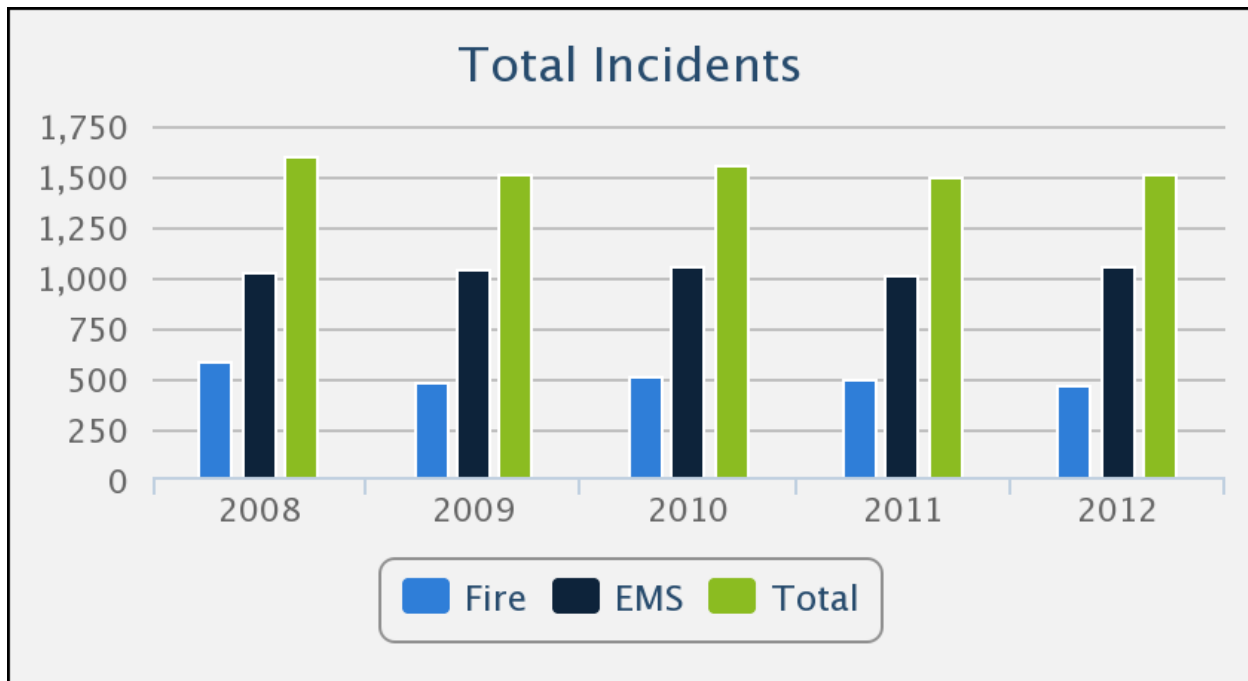
Fire Department

The department is staffed by nine full-time firefighter/paramedics, one part-time administrative aide and 30 part-time firefighter/paramedic/EMTs. The department staffs the fire station with dedicated and professional personnel 24 hours per day at the Safety Center at the corner of Montgomery and Hopewell Roads. This station houses two medic ambulances, one rescue pumper, one fire engine, one quint fire truck and one support/hydrant maintenance vehicle.

2012 Statistics

EMS Incidents for 2012

Other: 81
Chest Pain: 87
Cardiac Arrest: 13
Vehicle Accident: 134
Trauma: 233
Medical: 496

EMS Incidents for 2012

Other: 81
Chest Pain: 87
Cardiac Arrest: 13
Vehicle Accident: 134
Trauma: 233
Medical: 496

The department handled fire, EMS and rescue incidents as seen in the graphics above and to the right. Emergency medical service incidents continued to be one of the priorities of the department and were responsible for 69% of the total incident volume. In 2012, the City saw a loss of value due to fire totalling $87,450. The department attributes the low number of fire incidents to our fire prevention efforts and the inspections conducted by our staff. In a modern fire service, preventing the outbreak and serious spread of fire is considered as essential to public safety as proficiency in fighting fires.


ISO Rating

Vehicle Extrication Training

The department received an Insurance Services Office (ISO) rating of two as a result of the review of the department's operations. The ISO uses a scale of one to nine for their rating system. If a city has a score of nine, its residents will pay a

much higher premium than a city with a lower score. Montgomery's previous ISO score was a three. Current data show there are 2,833 communities in the State of Ohio. No community has a score of one and only 32 other communities in Ohio have a score of two. This excellent rating is indicative of our personnel's commitment to high quality fire and safety services.

Fire Department Funding

A 5.5 mil levy was approved by the community in 1999 to fund the operations of the fire department. The levy was projected to last ten years, or until 2009. Through careful planning and budget controls, the department has been able to stretch the funding past 2009. Under current projections, the current levy should fund the department through 2017, or eight years beyond the projected life of the levy. The only other revenue comes to the department through the billing of EMS patients who are not property owners in the City of Montgomery. With the loss of revenue from the State of Ohio eliminating the Tangible Personal Property Tax, it is projected that the department will see a decline in revenue of approximately $115,000 per year.

Fire Levy Revenues and Operating Expenditures
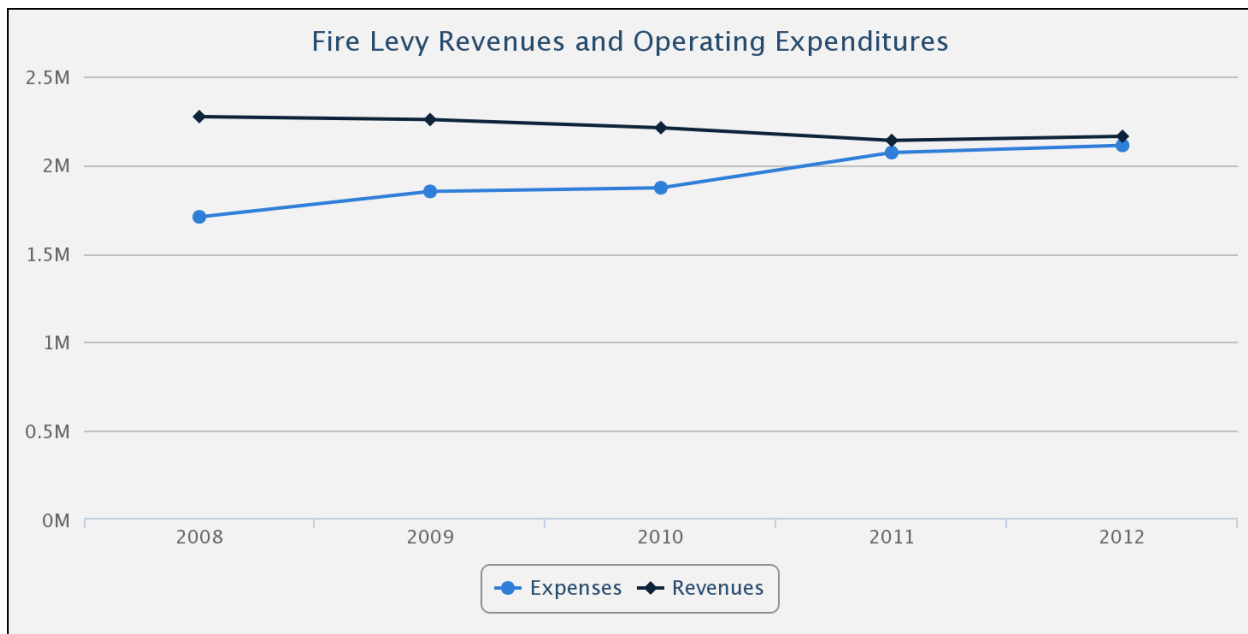
Public Education

Public education programs, once again, were very successful for the department. Tours of the Safety Center, CPR classes and Fire Prevention Week activities (to name a few) kept all busy with these worthwhile programs. A total of 88 individual programs were offered to 1,510 participants, as the department tries to prevent injuries and accidents from occurring in the community. Another program that has been offered for years is the Child Car Seat Safety Program, where citizens are taught how to properly use and place their children in a car

seat. Since the beginning of this program in 1999, the department has instructed over 2,437 individuals in the proper installation of child car seats. Installations of car seats totaled 151 during 2012.

Citizen Emergency Response Team

A Citizen Emergency Response Team (CERT) was organized in 2012 and educated 23 residents on how to handle emergencies in the event they are first on the scene in their neighborhood. CERT members are dedicated to assisting our emergency services by responding to large scale emergencies when local resources are exhausted and regional, State and federal resources are yet to arrive. Examples of such large scale emergencies include tornados, long-term power outages, winter storms and other natural disasters. Additionally, CERT members are responsible for assisting with public education as they work with their neighbors in preparing for disasters and emergencies.

Looking Towards 2013

2012 has been a full year with many new challenges and changes. The fire department continues to mature into a first-rate public safety organization. Based on the department's plan for 2013, the future looks equally exciting as well as challenging.

Police Department

The police department is comprised of 21 full-time officers, two clerks and one Mayor's Court clerk. Of the 21 full-time officers, there is one chief, one lieutenant, four sergeants, two detectives, one drug abuse resistance education (D.A.R.E.) officer, one school resource officer (SRO), one traffic safety officer, and ten patrol officers. In 2012, officers responded to 4,963 calls for service, made 385 adult arrests, 105 juvenile arrests, and issued 2,004 traffic citations. The police department continues to utilize Problem Oriented Policing (POP) principles, where problem solving and addressing the underlying issues that cause problems is a primary focus.
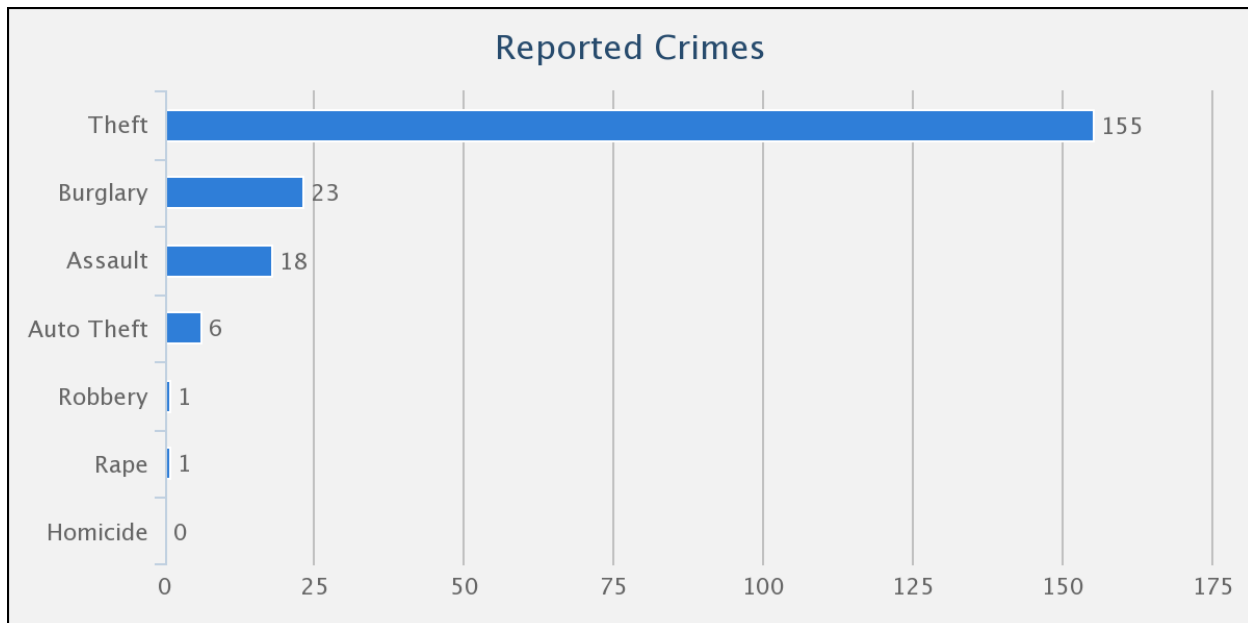
Auto Accidents
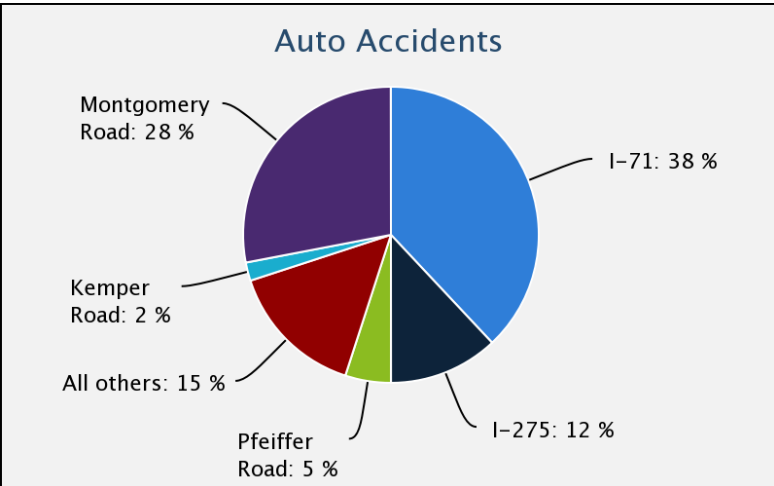
In 2012 the police department identified an area of I-275 at I-71 where an unusually high number of traffic crashes, many involving injury, were occurring. The police department, along with other City departments, and the Ohio Department of Transportation, used these POP problem solving techniques to make improvements to the roadway. In the six months following the changes, the frequency and severity of crashes were significantly decreased. This is just one example of the police and other City departments working collaboratively with other agencies to solve problems in the community.

Teamwork

In addition to working with other governmental agencies, the police department routinely works across departmental lines with other city employees to address problems facing the City of Montgomery. Employees often work in teams with a specific focus to improve the delivery of city services.

Reported Crimes

Crime	Count
Theft	155
Burglary	23
Assault	18
Auto Theft	6
Robbery	1
Rape	1
Homicide	0

Community Engagement

On April 28, the annual Safety Awareness Day was held at the Safety Center. A large number of visitors stopped to see the many public safety exhibits that included a K-9 unit from Madeira and the Hamilton County Police Association Special Weapons and Tactics (SWAT) Mobile Command Center. Many area businesses assist in sponsoring the event, which is free of charge. The event provides community members the opportunity to interact with their public safety personnel and to view safety facilities and equipment. In addition to the open house, the department held its third Prescription Drug Take Back event at Bethesda North Hospital. This effort, in partnership with the U.S. Drug Enforcement Agency,

netted the largest volume of prescription drugs of any collection site within Hamilton County.

Public Education Efforts

Officer Mike Davenport demonstrates

fingerprinting techniques at Safety Awareness Day

The police department continued its public education efforts by conducting the annual Safety Village program for five and six-year-old children. The program teaches children about school bus safety, animal safety, stranger safety and other safety related topics. The program is offered over a two-week period in the month of June, and the children attend a morning or afternoon session for a period of one week. Other public education programs included crime prevention training, bike safety classes, Internet safety, and addressing neighborhood associations and other groups on a variety of other issues. Additionally, the police department upgraded its home and business security surveys in 2012 to include a detailed report, with digital photos, that includes written recommendations for the homeowner or business owner/manager.

Terrorism Early Warning Group

In the area of homeland security, the police department assigned an officer as a liaison to the Terrorism Early Warning Group (TEWG). TEWG is a regional cooperative effort among public safety and health agencies throughout the Greater Cincinnati area to address potential terrorist activity. Increased information and resource sharing among local, state and federal law enforcement agencies continues to improve the overall effort of combating terrorism.

Drug Abuse Reduction Task Force (DART)

The department continued to support the Drug Abuse Reduction Task Force (DART). Montgomery is a founding member of the task force that was formed in 1988, and periodically assigns officers to the task force. DART is comprised of approximately 15 local law enforcement agencies that primarily address drug enforcement at the local level. The task force also has a pharmaceutical diversion unit that investigates physicians, nursing staff, and pharmacy staff suspected of abusing drugs, forging, altering, or writing illegal prescriptions, or trafficking in drugs.

D.A.R.E. Program

D.A.R.E. public education exhibit

The partnership between the police department and Sycamore Community Schools continues to be strong. The D.A.R.E. Program was presented to several hundred students in grades six and seven. For the eleventh year in a row, the police department received a $10,000 grant to assist with funding the D.A.R.E. Program. Additionally, the SRO at Sycamore High School continues to work with students and staff to provide a safe and secure learning environment. The SRO position is funded through a partnership with Sycamore Schools with the district paying 60% of the officer's salary. In addition to the day-to-day activities, the SRO attends many extracurricular activities, such as dances, athletic events and meetings. Officers also presented a seat-belt safety program to third grade students at Montgomery Elementary School.

Mayor's/Juvenile Court

The Montgomery Mayor's Court, which is held three times each month, hears most of the City's misdemeanor and traffic cases, including first offenses of driving under the influence of alcohol and driving under suspension. In 2012 the Court heard

cases involving over 2284 offenses resulting in $207,167.00 in fines, court costs and computer fund charges. After assessing the required state fees, the City's portion of the fund was $155,054.00.

Mayor's Court Conviction Rate
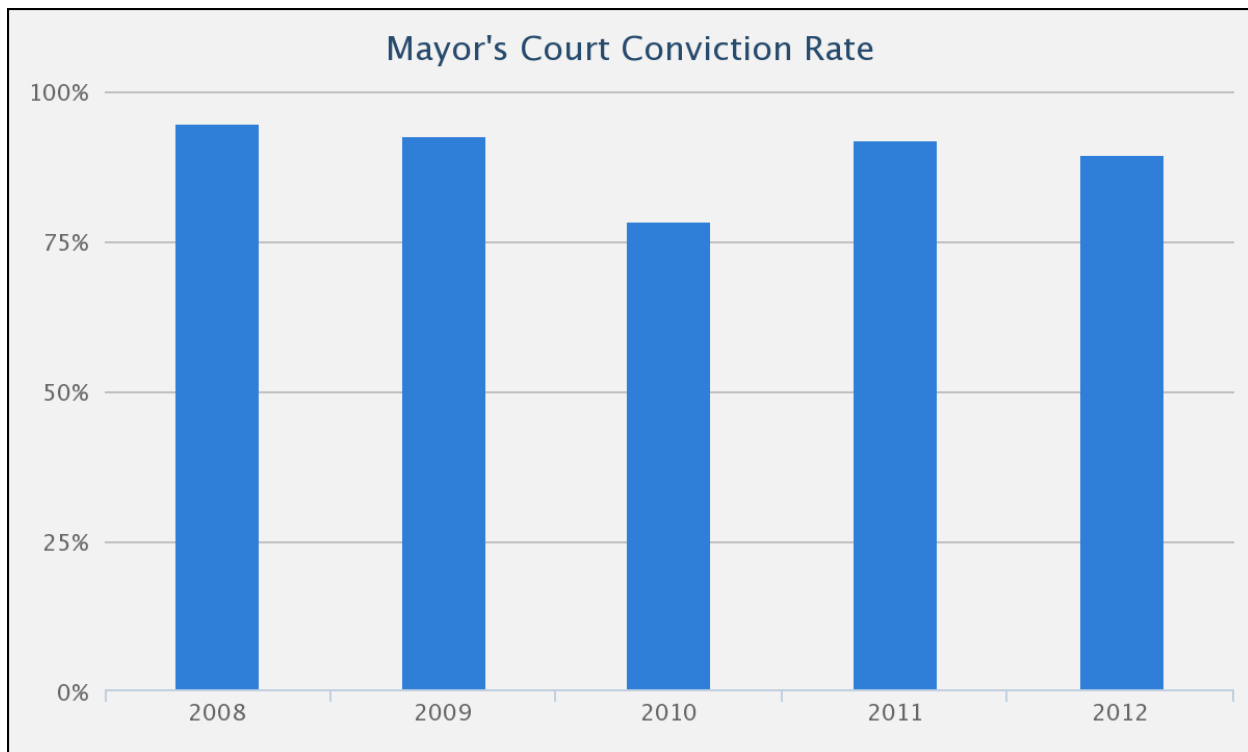
The Montgomery Juvenile Court, with Referee Terry Donnellon presiding, heard 65 criminal cases in 2012. The disposition of these cases often resulted in community service being performed by the offender. Serious criminal cases, second offenders, and all juvenile traffic cases are sent directly to the Hamilton County Juvenile Court system and are heard by a Juvenile Court Judge.

Awards

- For the second year in a row the police department received the American Automobile Association's Platinum Award. The Platinum Award is the highest award given by the association to agencies demonstrating outstanding success in addressing community traffic safety issues. Montgomery was one of nine communities within the greater Cincinnati region to receive the award.
- In addition, the department received a silver award from the Hamilton County OVI Task force for its participation in working within the region to combat driving while intoxicated. Two Montgomery Officer's received the Mothers Against Drunk Drivers "Top Cop" award for their diligence in arresting intoxicated drivers.

- Finally, the Police Department received an award from the City's insurance provider, Miami Valley Risk Management Association, for having zero losses. This award recognizes safety practices and policies within the department which prevent employee injuries and departmental insurance claims.