

2013 City of Montgomery, Ohio 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 2013.

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 2013.

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.



Montgomery Road before it was paved

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 10,251 residents.

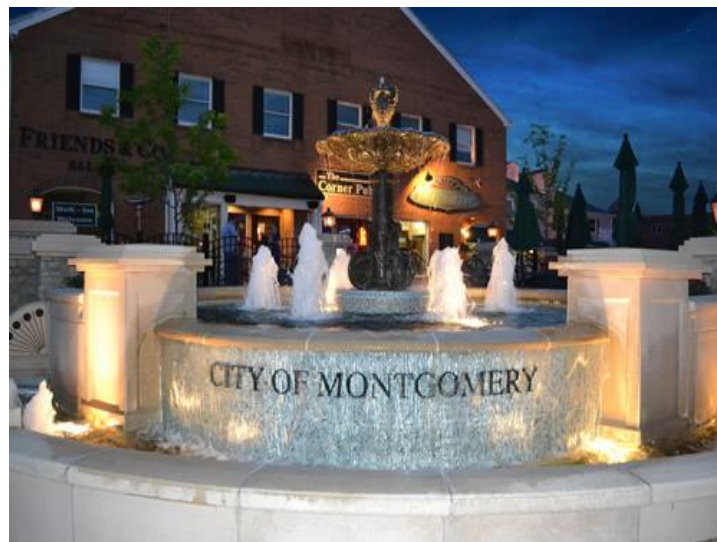
Montgomery derives much of its operating revenue from a one percent (1%) earnings tax to help fund a full range of City services, undertaken by 65 full-time and 40 part-time employees. Services provided by the City of Montgomery include: police and fire protection, development plan review and building 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 School district, which has drawn national recognition for academic excellence. Sycamore Community Schools operate 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



Fountain at Neully-Plaisance Plaza

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 on a

day-to-basis, provides direct support to Montgomery City Council and serves as a liaison between the City of Montgomery and other organizations.

New Opportunities and New Challenges



*Montgomery Center East is home to
Coldwell Banker offices and Delicio Coal Fired Pizza*

New development and redevelopment opportunities continued to emerge in 2013. Planning with developers on designs and concepts on properties at both the north and south ends of the City generated excitement about the possibility of community growth and improvement. The construction of the new Christ Hospital Medical Office complex 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 the community. City staff also worked extensively with the developers of the Vintage Club site to ensure that the initial concept for the site remained intact. Several other projects, including the opening of two new businesses at the former Perkins site, a Coldwell Banker real estate office and Delicio, a coal-fired pizza restaurant, added new and enticing destinations to the downtown area in 2013.

Shared Service Opportunities

Overall, the City continued on its well-established course of financial stability, community engagement and innovation in quality customer service delivery. In 2013, the City partnered with the City of Blue Ash and the Sycamore Community Schools to develop a website called MyCommuniTree.com to centralize information for all three of these entities.

The City's information technology staff worked with a representative from Sycamore High School on a shared fiber optic network that vastly improved connectivity and business communications between City Hall and the City's public works building and also improved wireless access for visitors to downtown Montgomery.

The City explored other shared service opportunities throughout the year by attending and presenting at events such as the Making a Difference Day volunteer venues and convening regional municipalities to discuss possibilities for collaboration. Several of these shared services opportunities came to fruition, including opportunities to conduct joint bids on infrastructure maintenance contracts as well opportunities to share equipment and services with the City's municipal neighbors in Blue Ash and Indian Hill.

Strategic Planning



The Community Leadership forum in 2013 provided an opportunity for City leaders and community stakeholders to meet and share ideas for the future

In 2013, 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 "owners" from staff who are tasked with carrying out well-defined implementation steps designed to accomplish the goals, strategies and implementation steps.

The Efficiency and Effectiveness Team completed the first official performance measurement report in 2013 which is part of the work outlined in the Strategic Plan. The team published the report to share with City Council every six months in an effort to better define the City's delivery of services from both an efficiency and effectiveness standpoint. This report will be continually updated and improved over time as new measures are finalized with a vision for developing Key Performance Indicators as well as benchmarking the City of Montgomery against comparable cities in the region and State of Ohio. Performance measurement is a critical management tool for the City and will help in assessing the value of the City's effectiveness in service delivery.

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.

Succession Planning

A key component of a disciplined and mature organization is to ensure that staff are in place to meet the needs of customers as resources fluctuate and as long-term staff make decisions to pursue professional and personal options outside of the City. In 2013, the City of Montgomery experienced the retirements of Cindy Rains, an office manager in the police department, and Jerry Beitman, the police lieutenant. These two staff members had in excess of 65 years of service with the City between them. Additionally, a few long-term employees have indicated that 2014 will be their last year of service with the City. Succession planning has been in place at the City and continues to be employed to develop staff to be in a position to maintain and enhance service delivery when attrition occurs in the City's work force. Although it is difficult to lose long-term staff members, transition presents opportunity, and the City has been successful in filling vacancies and/or reorganizing the organizational structure to maintain flexibility and uninterrupted delivery of services.

Community Engagement



*Farmers Market patrons select from
a variety of locally grown food and other goods*

Goal Four of the City's Strategic Plan is Community Engagement and emphasis on community engagement efforts continued to be strong in 2013. In its sixth year,

the Montgomery Citizens' Leadership Academy has become the focal point of the City's community engagement efforts. Many of the MCLA alumni have gone on to volunteer for City board and/or commission positions, increased their volunteer activity with the City and volunteer opportunities in their churches or other civic organizations.

In 2013, the City awarded the Montgomery Farmers' Market a \$2,500 Community Engagement Grant for the seven new programming initiatives for the 2013 market season. The goal of the initiatives was to increase attendance, length of stay and family interaction at the market, and as a result, the market experienced a great season with strong regional attendance in 2013.

Achievements

The City of Montgomery was formally recognized for a number of achievements in 2013. Highlights include the following:

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, 2012. This is a great honor for the City of Montgomery, as it is the highest form of recognition in governmental accounting and financial reporting. This award in 2013 represents the 18th consecutive year the City has received this award.

The City received the Hamilton County Recycling and Solid Waste District "Best Community Recycling Program" Award (more than 10,000 residents) for the fourth year in a row, reflecting the importance that the City, and the community's citizens and businesses place on recycling efforts and the work of all in attempting to reduce waste and its impact on our environment.

The Miami Valley Risk Management Association (MVRMA) completed the 2012/2013 Safety Performance Evaluation Checklist (SPEC) assessment of the City of Montgomery's safety program and loss control measures resulting in a 100% compliance rating with the safety compliance checklist.

Once again, the City received a Tree City USA Award and a Growth Award. This marks the 18th consecutive year for the Tree City USA recognition and the 15th Growth Award the City has received since 1998.

For the third consecutive year, the City of Montgomery received the American Automobile Association's (AAA) platinum award for "astounding" success within the area of traffic safety.

In 2013, the City also continued its role in regards to leadership not only within Montgomery, but in the region, at the State level and nationally. To this end, several City staff members contributed and will continue to contribute their resources, over and above their primary job responsibilities, to a variety of

professional organizations. The following is only a partial listing of the groups to which City staff contributed:

- Brian Riblet, Public Works Director, is the 2nd Vice President of the Public Works Officers Association of Southwest Ohio (PWOSO);
- Paul Wright, Fire Chief, is the 1st Vice President of the Ohio Fire Chiefs Association (OFCA);
- Don Simpson, Police Chief, is the 2nd Vice President of the Hamilton County Police Association (HCPA);
- Amber Morris, Community Engagement Director, in 2013 served as the 2014 Conference Planning Chair for the Ohio Parks and Recreation Association (OPRA);
- Matthew Vanderhorst, Customer Service Director, provided a leadership role with the National Association of Government Web Professionals;
- Jim Hanson, Finance Director, is a committee member of the National Committee on Benefits Administration for the Government Finance Officers Association (GFOA); and
- John Crowell, Police Sergeant, is a Team Leader for the Special Weapons and Tactics (SWAT) Team in Hamilton County.

Clearly, 2013 was a year of new opportunities and challenges for the City of Montgomery. The City is positioned to carry forward its tradition of maintaining financial stability, fostering community engagement and seeking innovation in outstanding customer service delivery - all with an eye on delivering value to our customers who are the citizens, businesses, visitors and institutions which make up our community.

City Council





Mayor
Ken Suer



Vice-Mayor
Todd Steinbrink



Councilmember
Gerri Harbison



Councilmember
Lynda Roesch



Councilmember
Barry Joffe



Councilmember
Chris Dobrozsi



Councilmember
Craig Margolis



Councilmember
Ann Combs

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 residents for staggered terms of four years. Once seated, City Council members select the Mayor who serves for a two-year term.

On December 4, Mrs. Combs, Mr. Dobrozsi, Ms. Roesch and Mr. Suer each accepted their oath of office. The City Council then elected Todd Steinbrink as Mayor and Chris Dobrozsi as Vice-Mayor. City Council also thanked retiring City Councilmember Barry Joffe for his many years of service to our community.

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 seven standing committees: City Council Advisory; 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 on determination of policy. During 2013, City Council conducted public meetings, regular meetings, special sessions and committee meetings.

In an effort to maintain 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 board and commission member orientation session.
- A Community Leadership Forum was held and represented an opportunity for volunteers, representatives of neighborhood associations, civic groups, local schools, elected officials and administration to discuss topics of interest of forum participants.

As part of 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 59 ordinances and resolutions, the highlights of which follow:

2013 Council Action

- Implemented prohibitions against using wireless communication devices while operating a motor vehicle;
- Adopted rules and regulations for the Hamilton County Stormwater District;
- Adopted amendments to the Montgomery Zoning Code;
- Adopted a tax budget for 2014;
- 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; Frost Brown Todd, LLC to provide special counsel services; the City of Cleveland, Ohio for the collection of delinquent income taxes for the City of Montgomery; Donnellon, Donnellon and Miller to provide legal services and the Sycamore Community School District Board of Education for the School Resource Officer at Sycamore High School for the school years 2013-2014;
- Authorized the City Manager to enter into a labor agreement with the Fraternal Order of Police Ohio Labor Council, Inc., for wage and benefits from July 1, 2013 through June 30, 2016;
- Authorized the City Manager to enter into Federal Local Let project agreement with the Ohio Department of Transportation to provide anti-skid treatments on portions of ramps at the I-71/I-275 interchange; to provide an auxiliary lane for southbound I-71 from the Pfeiffer Road on-ramp to the SR-126 off-ramp; to accept funding and administrative responsibilities for the Montgomery Signals project, which included fiber optic traffic signal interconnection upgrade;
- Authorized the City Manager to file an application with the Ohio Public Works Commission for Local Transportation Improvement Program Funds and/or State Capital Improvement Program Funds for the infrastructure repairs and improvement on Pfeiffer Road;
- Authorized the City Manager to enter into contracts with: Mt. Pleasant Blacktopping for the 2013 Street Resurfacing Program; American Pavements, Inc. for the 2013 Bituminous "Black Mat" Surfacing Project; Rumpke accepting the option years 2014-2015 for waste collection services; Statewide Ford for the purchase of three police cruisers and Morton International, Inc. for the purchase of de-icing rock salt for the 2014 season;
- Authorized and Adopted the Hamilton County Multi-Hazard Mitigation Plan; a lease agreement and purchase option with Montgomery Lodge 94 F.&A.M. and with Hamilton County, Ohio for an amended and restated Mutual Aid Agreement for Law Enforcement;
- Opposed the passage of House Bill 5 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;

- Authorized an agreement with the estate of Robert J. Williams to acquire real property at 9260 Montgomery Road;
- Rezoned a portion of the Vintage Club planned unit development district from multi-family D-3 district to limited business L-B district;
- Authorized the issuance of \$12,565,000 in Tax Increment Revenue Bonds of the City of Montgomery and providing for the pledge of revenues for the payment of such bonds including a trust agreement, an official statement and other documents necessary for the construction of a parking garage and other public infrastructure improvements at the Vintage Club development;



Aerial shot of Christ Hospital construction site

Community Development



The building and development department is responsible for 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, a director and city planner, with support from the customer service staff and an inspector in the public works department. The City contracts for building, electrical and plumbing plan review and inspections with private contractors. 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. The department provides staff support to the Planning Commission, Landmarks Commission and the Board of Zoning Appeals.

Development Activity

After a year of planning and negotiations, the City concluded an agreement with the new owners of the commercial section of the Vintage Club to locate a new outpatient center and medical offices for Christ Hospital on the southwest portion of the property. A new 80,000 square foot building will be built by the developer, Brandicorp, with the City committing to construct a 321-space parking garage under a portion of the building. As work began on the garage, Brandicorp and Christ Hospital approached the City about constructing an additional 20,000 square foot building adjacent to the main building for Christ Hospital. The Planning Commission approved this proposal at the end of the year. The development department also began discussions with the developer regarding future plans for the rest of the commercial section.



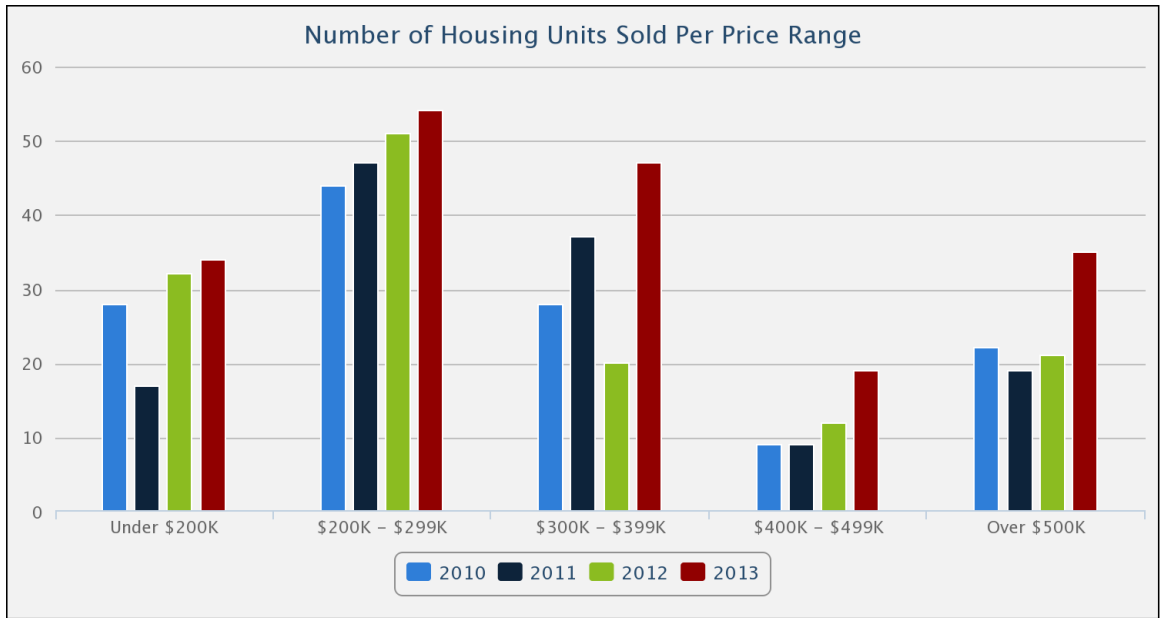
Montgomery Center East

At the other end of Montgomery Road, the Montgomery Gateway Center East project was completed and occupied. Coldwell Banker consolidated several of its offices on the second floor, and in December a new coal-fired pizza restaurant, Delicio, opened on the first floor.

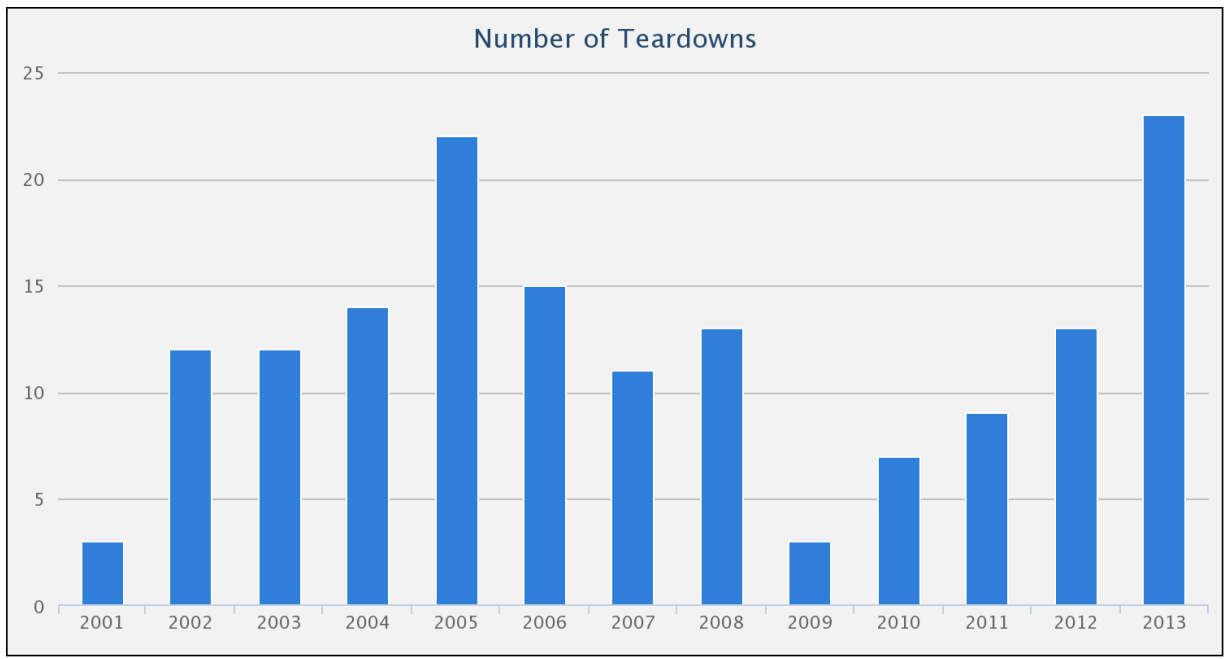
In late spring, the department was contacted by Ohio National Financial Services about the potential to expand its parking garage. Efficiencies in building design allowed them to add more employees within their existing building; however, the existing parking garage was not large enough to handle the additional staff. Working closely with the company and surrounding neighbors, staff and the Planning Commission approved a plan to add 202 parking spaces to the garage. Work began on this important project at the end of 2013.

There were other positive developments in the City during the year, including the opening of eleven new businesses. The long-vacant Stafford Jewelry store was converted to a new orthodontics center, conveniently located next to Montgomery Elementary School. Work was nearly completed on Montgomery Hill, the ten-unit condominium townhouse project that had been stalled for many years by the downturn in the housing market. Plans continued to evolve for the two car dealership properties between downtown and Ronald Reagan Highway.

A total of 18 commercial building permits for new construction and expansion were issued in 2013, which is slightly lower than the 24 permits issued in 2012; however, the total value of improvements in 2013 was significantly higher than in 2012. The total value of new commercial, commercial additions and alterations was \$17.1 million versus \$14.1 million in 2012.



It was not just the commercial sector that became active. The building department also issued 35 permits for new homes and 42 permits for residential remodeling/room additions. The total value of residential construction was estimated at \$21.7 million. The number of teardowns also increased dramatically in 2013. The City issued 23 demolition permits in 2013, which is the largest number of residential demolition permits issued in a single year. The number of residential demolition permits was significantly higher than in past years, with the exception of 2005, which saw 22 teardowns. Since 2001, there have been a total of 157 teardowns in the City.



Community Engagement



The community engagement department is responsible for management of the City's communications and citizen engagement efforts including volunteerism and operations of recreation programs, special events and swimming 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. There are four staff members in this department: Director of Community Engagement; Assistant Director of Community Engagement; Recreation and Leisure Living Services Coordinator and Citizen Involvement Coordinator.

Building Connections



2013 Making a Difference Day

Community engagement is the City's vehicle to organize our greatest resource, the community, in the work we do 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/or engagement with the Montgomery Citizens' Leadership Academy (MCLA) Alumni. In 2013, twenty-seven graduates of the Montgomery Citizens' Leadership Academy joined the MCLA Alumni.

Connect Montgomery hosted its third annual Making a Difference Day (MADD) in October of 2013. Responsibility for the organization of the event, including participation of organizations and coordination of the projects, shifted to an organizing committee facilitated by City staff. In 2013, 440 individuals from 25 different organizations participated and 14 collaborative service projects united two or more service organizations. Twelve organizations were served on this day of giving back. Participation grew 10% in this year!

With the capacity-building assistance of the community engagement staff and a grant from the City of Montgomery, a group of dedicated volunteers started Montgomery Food Share in 2013, which is an ongoing food donor program. Volunteers collect the donations on the first Saturday of even-numbered months to be donated to local food pantries. By the end of 2013, these collection efforts resulted in 5,671 pounds of food, or the equivalent of 6,805 meals. As of the end of 2013, the neighborhoods of Montgomery Woods, Montgomery Heights, Schoolhouse, Swaim Field, Governor's Watch (Lochaven) and Forestglen were organized and collecting donations.

Involving Citizens as Partners

The efforts to increase participation, link interests with needs and fill board and commission vacancies increased in 2013 through new efforts in outreach, marketing and recognition. Eleven community members were recruited and appointed to fill vacancies on our 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.

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
2013	483	5,202	\$104,048

The 2013 Volunteer Recognition Dinner was hosted at the Montgomery Inn, showcasing volunteer accomplishments and recognizing volunteer leaders from the City's boards and commissions. To recognize all 2013 volunteers, a 'free day' at the Community Pool was held in August and an ice cream social was held in Swaim Park in September. Personal letters of thanks and these fun events recognized 483 volunteers for contributing a calculated dollar value of \$104,048!

Enhancing the Quality of Life



Dogfest Entries on Stage

Recreation programming met the interests and needs of a variety of users with special events like “Dog Fest” and the “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. Science and iDaP Academy programs caught on with high participation levels in 2013 and the theater camps expanded to have two age groups perform on stage at the Bastille Day celebration. The paintball field trip, luau parties and dive-in movies continue to be fun favorites that remain in the recreation lineup for youth of all ages and interests. Pool memberships increased by seven percent in 2013. In the past five years, memberships averaged 519. 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 Cities Commission and the Arts Commission as liaisons to these groups that provide quality of life services in the community. This work included coordination and set up for the International Reception, All Fired Up! art show, Live at the Uni musical performances, July 3rd Concert, Improv at the Uni and the Photo Contest.

Other Results of Community Engagement Efforts

- Recruited 33 applicants for the 2014 Class of MCLA;
- 191 new residents were welcomed with a packet of information and a personal note; 209 new residents were invited to a spring welcome event coordinated with Sycamore Schools;

- Co-produced the second version of the Montgomery Shopping Guide with the Montgomery Chamber of Commerce;
- Supported 21 member organizations of Connect Montgomery on its website;
- Hosted two Neighborhood Leaders Forums; reaching 14 of 17 Montgomery neighborhoods;
- Offered 17 City-wide events;
- Offered 61 recreational programs for 994 participants, reflecting an 18% increase in participants in 2013;
- Hosted nearly 10,382 patrons at the Montgomery Community Pool in 101 days of pool operation;
- The swim team reached a maximum of 123 swimmers which was an increase from 109 swimmers in 2012; and
- 268 kids learned the lifelong skill of swimming in lessons at the pool, in increase of 30 participants from the 238 in 2012.

Special Awards and Recognition

- \$1,000 grant from ArtsWave awarded to the Arts Commission for Live at the Uni performances; and
- Miami Valley Risk Management Award for Zero Losses in insurance/liability claims for 12 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, receive assistance on zoning questions and get questions answered regarding the entire City. The customer service department also manages the technology infrastructure of the City which includes Internet applications, the City website, the employee appraisal software system and technical support to all City staff. The customer service department is managed by a customer service director, and is staffed by two full-time customer service representatives.

Service Enhancements and Efficiencies

The customer service department has taken several steps to increase operational efficiency and save resources. Led by Evelyn Dumont, Customer Service Representative, the first effort was a project to digitize existing building plans to increase availability to staff and reduce the need for physical storage.



LEAN process

In November 2013, a LEAN process improvement review was conducted for the payroll process. Following the review, a recommendation was made to replace handwritten time cards with an electronic system. The customer service department, with assistance from the finance department, created an electronic time card system utilizing software that was already available to staff. The system has enhanced and streamlined the payroll process.

To ensure seamless service delivery, Connie Gaylor, Customer Service Representative, has participated in extensive training to become the backup for the current clerk of council. This is an important role for the City as it is the main administrative support for City Council agendas, minutes and legislation.

The City takes great pride in its beautiful parks and lodges and continually strives to provide the best service at a good value. To work towards this goal, two significant changes were made to the lodge and park shelter reservation process and rental costs.



Terwilliger Lodge foyer

Staff conducted a thorough review of the lodge rental policies of the City. A rate comparison, as well as a facility maintenance cost study was conducted to benchmark how Montgomery compares to our neighboring communities. Based on these findings, the non-resident rental rate for both Swaim Lodge and Terwilliger Lodge was increased by approximately 30%. Resident rates, which have not been increased since 2006, will remain unchanged. Although there was an increase in non-resident rental charges, the City has also been diligent in improving the amenities and aesthetics of both lodges. Terwilliger Lodge was upgraded to include a full stove top and an additional microwave as well as updated interior décor. Swaim Lodge was updated with new carpeting and freshly painted walls.



Terwilliger Lodge kitchen

Through 2013, the customer service department and the public works department studied shelter use by both residents and non-residents and reviewed park maintenance operations and associated costs for the seven shelters and five parks that the City operates. The study revealed that not only were residents challenged to be able to reserve shelters due to the high volume of non-resident reservations, the public works department was also challenged to maintain clean, safe, beautiful parks that are the standard of the City. Based on these findings and the recommendation of the Parks and Recreation Commission, it was decided that only residents and those working in Montgomery, should be able to reserve park shelters. Non-residents will still be able to use the shelters, but only on a first-come, first-served basis. Reservations made by approved applicants have priority and will be posted at each shelter.

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.

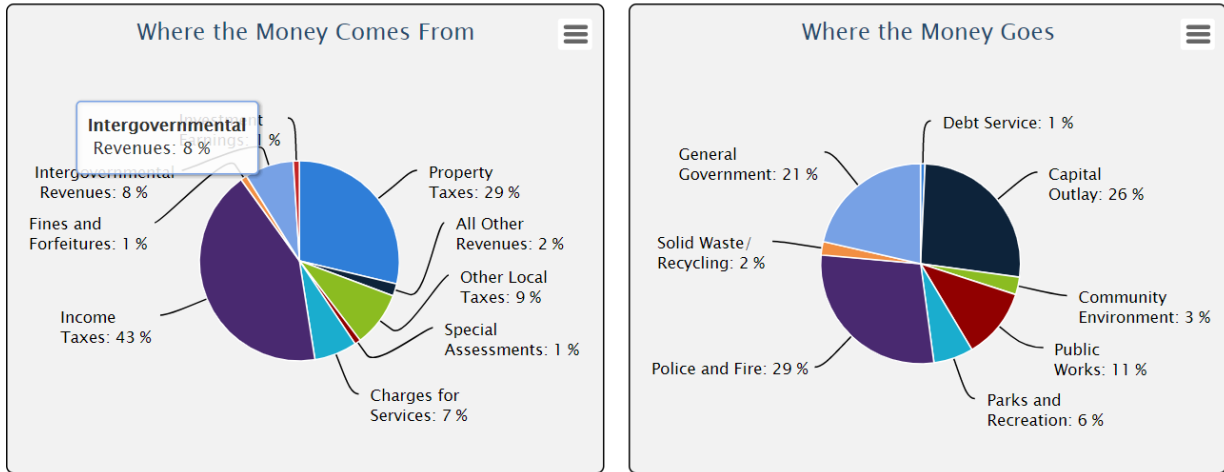
In 2013, Montgomery's operating budget totaled \$15.2 million. In addition to the operating budget, the City's finance department administers a capital budget, with a four-year cash forecast.

In 2013, 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.

Revenues and Expenditures

The charts below, titled "Where the Money Comes From" and "Where the Money Goes" provides a snapshot of how resources are collected and programmed for expenditures. In 2013, the finance department was responsible for the collection of approximately \$7.6 million in income tax revenues and \$5.1 million in property tax revenues. In addition, the department is responsible for managing an investment portfolio of more than \$20 million, which generated investment income of approximately \$66,401.

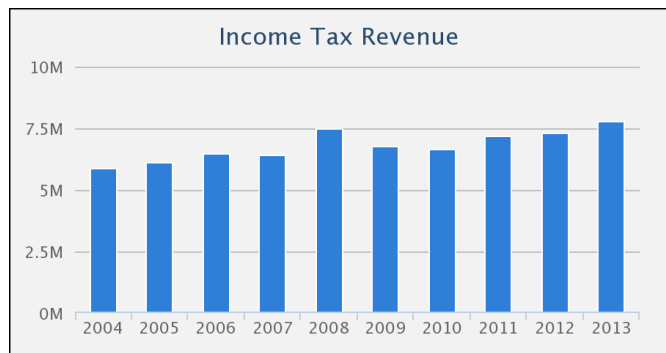
As with most municipalities, public safety, property protection and emergency services are the largest single governmental function. General government and public works accounts for over 25% of the remaining



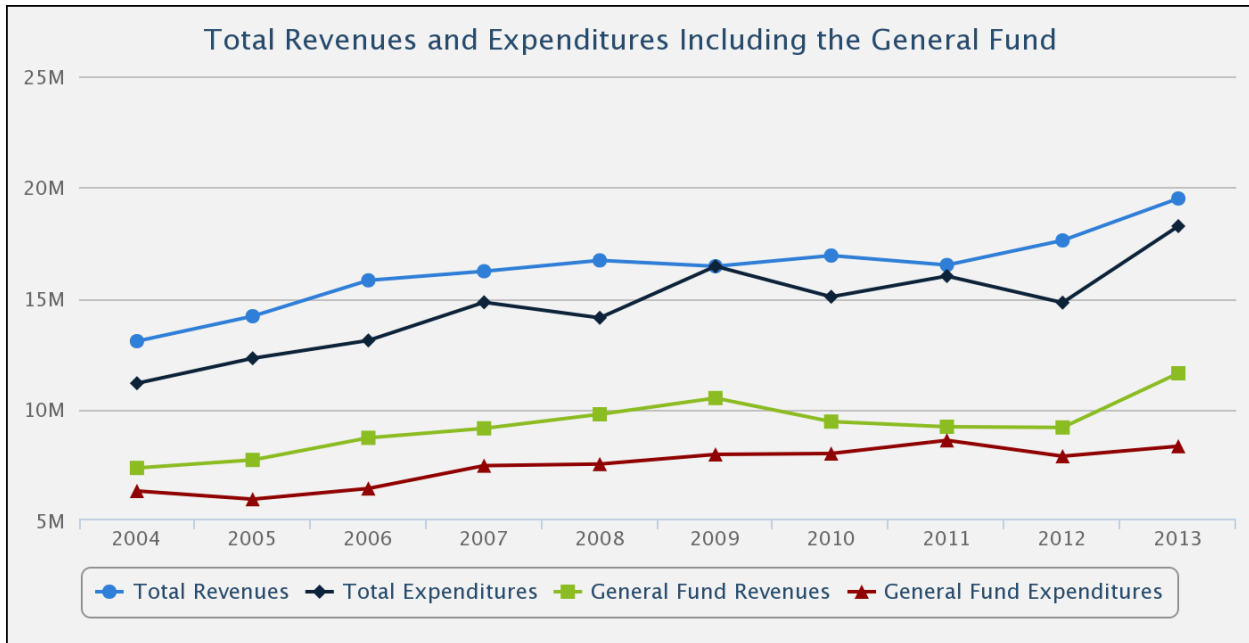
The finance department prepares quarterly and annual reports including the Comprehensive Annual Financial Report (CAFR). In 2013, for the seventeenth consecutive year, the City was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City’s 2012 CAFR. Moody’s Investor Services continues to recognize the City’s credit worthiness by assigning an Aaa credit rating to our general obligation debt. Montgomery is one of only 16 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 revenues have been increasing each year since the 2009 downfall and in 2013 revenues exceeded collections from 2008 by 4.1%.



For purposes of balancing operations with capital investments and related debt service, income tax revenues are distributed into three funds according to the following allocation: 76% to the General Fund; 20% to the Capital Improvement Fund; and 4% to the Debt Retirement Fund.



Total Revenues and Expenditures

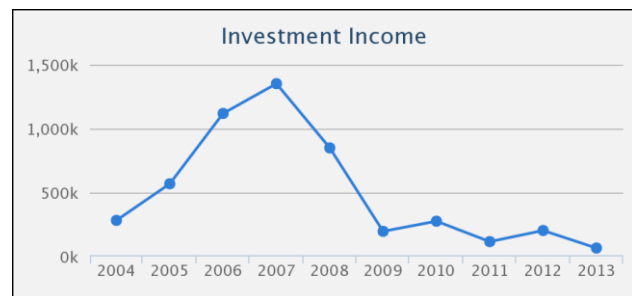
The line chart titled "Total Revenues and Expenditures including General Fund 2004-2013" provides an historical perspective of the City's ability to program and budget services, capital improvements and related debt service within the resources provided through the annual budget process.

Sound Financial Policies

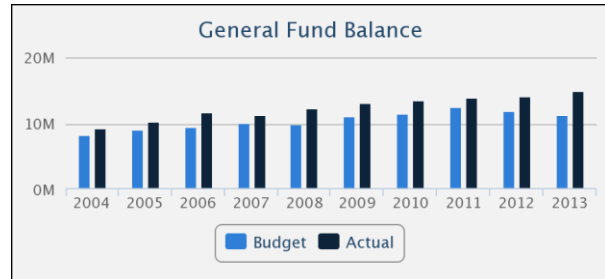
In order to maintain a sound fiscal environment, City Council has adopted an array of financial policies:

Investment Policy: The graph titled "Investment Income" reflects revenues which range from \$282,737 in 2004 to \$66,401 in 2013. 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 City 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.



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.

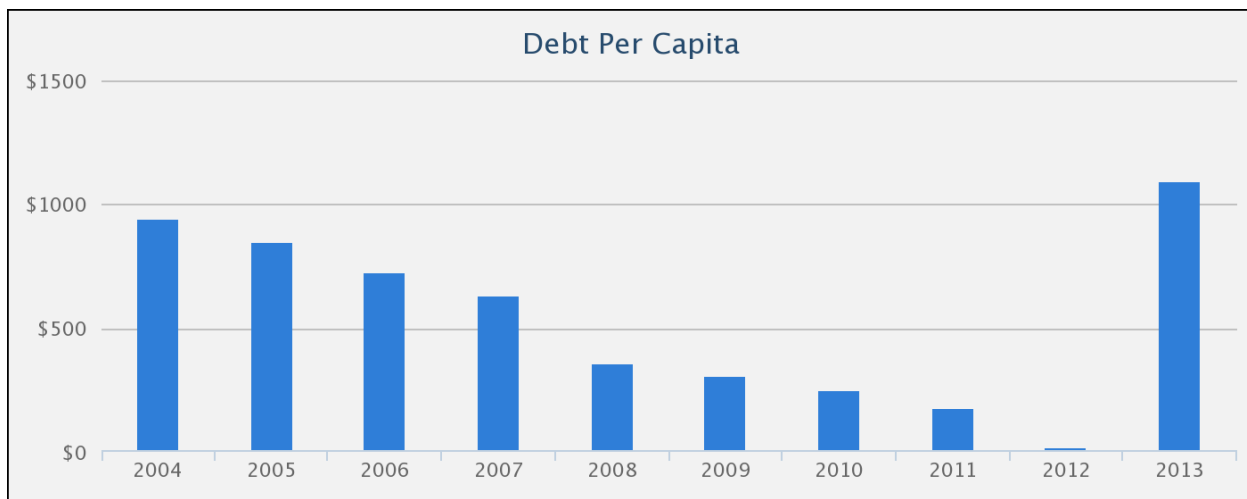


The graph titled "General Fund Balance - Budget and Actual" depicts that actual year-end fund balances have exceeded budget estimates.

Long-Term Debt: On December 31, 2013, the City had \$15,598,282 of bonded debt; of this amount \$1,130,000 is general obligation debt, \$13,265,000 is special obligation debt and \$1,183,282 is special assessment debt.

In May of 2013, the City issued \$13,265,000 of special obligation bonds to finance public improvements which consist of constructing a roadway and public garage at the commercial/residential development known as the Vintage Club. The repayment of the bonds is secured by payments in lieu of taxes generated within the tax increment financing district which encompasses the entire Vintage Club development. The development includes a high-end housing development, two medical office buildings consisting of 100,000 square feet occupied by Christ Hospital and plans for future commercial development in the northern section of the development.

As a result, the City's outstanding debt per capita increased from \$942 in 2004 to \$1,058 in 2013. The chart below depicts the total outstanding debt for the City over the last ten years.



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	2013	2012
Property Taxes	\$5,109	\$4,832
Income Taxes	7,564	7,163
Other Local Taxes	1,651	1,686
Intergovernment Revenues	1,285	1,176
Charges for Services	1,337	1,332
Investment Earnings	66	203
All Other Revenues	409	329
TOTAL SOURCES	17,421	16,721
USES AND EXPENSES		
Security of Persons and Property	5,527	5,938
Parks and Recreation	1,323	1,350
Community Environment	661	516
Public Works	2,457	2,369
General Government	4,798	4,436
Debt Service	421	149
TOTAL USES	15,187	14,758
TOTAL SOURCES		
OVER USES	\$ 2,234	\$1,963

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	2013	2012
Cash	\$13,539	\$10,960
Investments	27,697	19,976
Receivables	9,155	9,218
Property and Equipment	44,999	38,800
Other Benefits	44	42
TOTAL FINANCIAL BENEFITS	95,434	78,996
FINANCIAL DETRIMENTS		
Amounts Owed to Vendors	184	223
Amounts Owed to Employees	384	436
Accrued Interest	51	9
Long-Term Debt	15,571	2,756
Other Liabilities	6,455	5,019
TOTAL FINANCIAL DETRIMENT	22,645	8,443
TOTAL BENEFITS		
OVER DETRIMENT	\$ 72,789	\$70,553

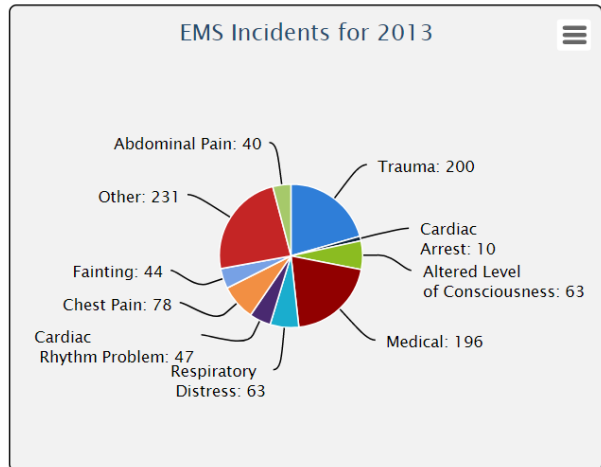
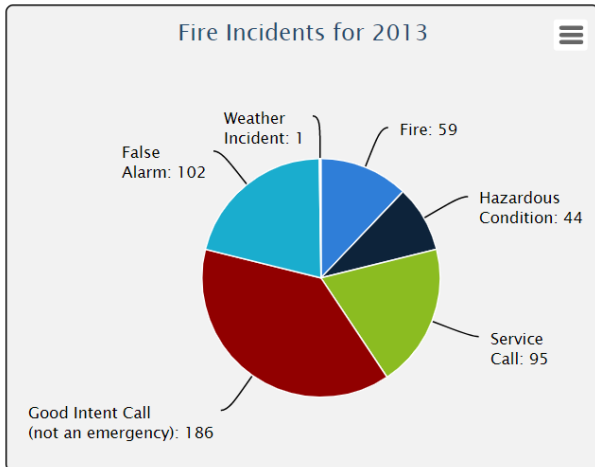
Note: The Financial Position Statement, known in accounting terms as the "Balance Sheet", reports the benefits (assets) available to provide services while detriments (liabilities) are the amounts for which the City must pay in the future.

Fire Department

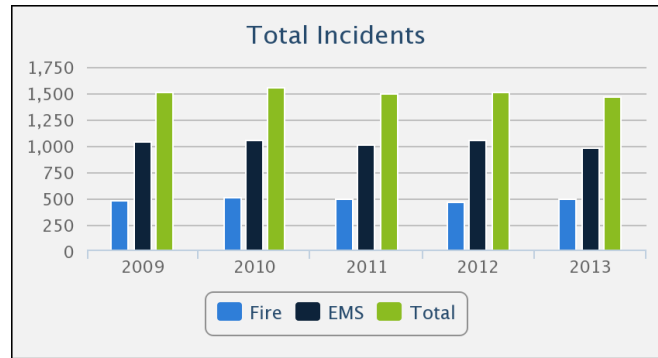


The staff consists of nine full-time firefighter/paramedics, one part-time administrative aide and thirty part-time firefighter/paramedic/EMTs. The department staffs the fire station with dedicated and professional personnel 24-hours per day at the Safety Center. This station houses two medic ambulances,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

2013 Statistics



The department handled fire, EMS and rescue incidents as seen in the graphs below. Emergency medical service incidents continue to be one of the priorities of the department and are responsible for 66% of the total incident volume. 2013 saw a total value of loss from fire in the City of \$271,600. 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



Live fire 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 its 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. Our previous ISO score was a three. The department is very pleased and proud of this accomplishment. Current data show there are 2,833 communities in the State of Ohio, of which, no community has a score of one and only thirty-two have a score of two.

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 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 State of Ohio eliminating the Tangible Personal Property Tax in 2012, the department will

experience a loss of approximately \$115,000 per year from this former funding source.

Public Education



Lt. Mark Stagge demonstrates proper use of a fire extinguisher

Public education programs, once again, were very successful for the department. We provided tours of the Safety Center, taught CPR classes and coordinated Fire Prevention Week activities. These worthwhile programs kept all busy in 2013. Fifty-two individual programs were offered to 1,098 participants, as the department strived to prevent injuries and accidents from occurring in the community. The Child Car Seat Safety Program taught 191 citizens how to properly use and place their children in a car seat in 2013. Since the beginning of this program in 1999 the department has instructed over 2,556 individuals in the proper installation of child car seats.

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. The CERT members are dedicated to assisting emergency services in responding to large-scale emergencies that affect the region when local resources are exhausted and awaiting regional, State and Federal resources to arrive. Such large scale emergencies include tornados, long-term power outages, winter storms and other natural disasters. Additionally CERT members are responsible to assist with public education as they work with their neighbors in preparation of disasters and emergencies. In 2013, CERT members also assisted the department with traffic management during the July 4 parade, shared CPR information at the Bastille Day celebration, role-played victims in mock disaster drills and shared emergency kit information at the Neighborhood Leaders Forum, held in May of 2013.

Looking Towards 2014

2013 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 2014, the future looks equally exciting as well as challenging.

Police Department



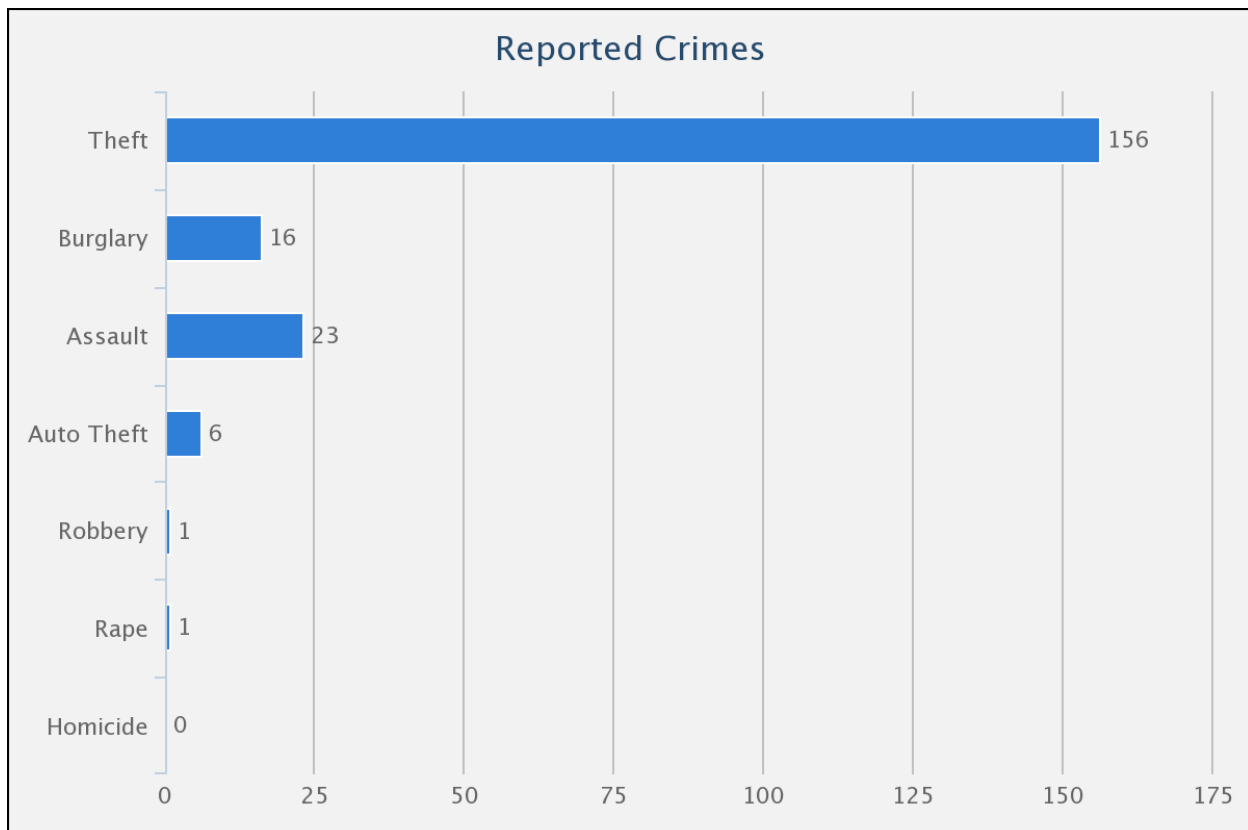
The police department is comprised of 22 full-time officers, two clerks and one mayor's court clerk. Of the 22 full-time officers, there is one chief, one lieutenant, five sergeants, two detectives, one drug abuse resistance education (D.A.R.E.) officer, one school resource officer (SRO), one traffic safety officer, and ten patrol officers. In 2013, officers handled 7,709 incidents, made 318 adult arrests, 95 juvenile arrests, and issued 2,321 citations.

Community Engagement

On April 27 the annual Safety Awareness Day was held at the Safety Center. A large number of visitors stopped by to see the many public safety exhibits that included a U.C. Hospital air care helicopter and the Hamilton County Police Association SWAT Mobile Command Center. Many area businesses assisted in sponsoring the event, which was free of charge, as always. The event provided community members the opportunity to interact with their public safety personnel

and to view facilities and equipment. In addition to the open house, the department held its fourth 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.

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.



Homeland Security

In the area of Homeland Security, the police department assigns an officer as a liaison to the Terrorism Early Warning Group (TEWG). The 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.

DART Program

The department continued to support the Drug Abuse Reduction Task Force (DART). Montgomery is a founding member of the task force 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

The partnership between the police department and Sycamore Community Schools continued to be strong in 2013. The Drug Abuse Resistance Education (D.A.R.E.) program was presented to several hundred students in grades six and seven. Additionally, the School Resource Officer (SRO) at Sycamore High School continued to work with students and staff to provide a safe and secure learning environment. The SRO position is funded through a partnership with Sycamore Community Schools with the district paying 60% of the officer's salary. In addition to the day-to-day activities, the SRO attended many extracurricular activities, such as dances, athletic events and meetings. Officers also presented a seat belt safety program to third graders at Montgomery Elementary School.

In 2013 the department initiated a project to develop emergency plans and procedures tailored to each school in the community. These plans were developed with input from the Hamilton County Police Chiefs Association, the FBI, Sycamore Community Schools and this department. They were designed to speed our response and efficiently manage large scale emergencies. We will be expanding this project to include other facilities located in the City in the future.

Mayor's/Juvenile Court

The Montgomery Mayor's Court 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 2013, the Court heard cases involving over 1,736 offenses resulting in \$230,204 in fines, court costs and computer fund charges. After assessing the required state fees, the City's portion of the fund was \$174,765.

The Montgomery Juvenile Court, with Referee Terry Donnellon presiding, heard 64 criminal cases. 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 third 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 a few 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.

Finally, in 2013, the police department received an award from the City's insurance provider, Miami Valley Risk Management Association, for having zero losses. The department has received this award for five consecutive years. This award recognizes safety practices and policies within the department which prevent employee injuries and departmental insurance claims and are indicative of the priority that the police department and the City of Montgomery place on public safety and stewardship of resources.

Public Works



The public works department is responsible for the City's infrastructure which includes 46.2 centerline miles of roadways, management of the City's traffic signal system, park maintenance and improvements for the seven parks and many green spaces, Hopewell Cemetery and the 11 City facilities and landmarks. The public works department is also responsible for completing various capital improvement projects and the City's beautification efforts. The department includes a director, assistant director, code and compliance inspector, public works supervisor, ten full-time service workers and six seasonal staff.

Resurfacing Work in 2013

The Annual Street Resurfacing Project included work on 18 roadways and was completed by Mount Pleasant Blacktopping Co., Inc. The project resulted in the resurfacing of 2.27 centerline miles of roadway. The project also included 3,596 linear feet of curb removal and replacement, the repair and rebuilding of 50 catch basins and the adjustment of 20 manholes. The total cost of the project was approximately \$621,000 and was funded through the City's Capital Improvement Program.



Roadway Repaving Project

The Bituminous Black Mat (Microsurfacing) Project was completed as public works staff coordinated repairs and microsurfacing to approximately 0.8 centerline miles of roadway on Deerfield Road from Montgomery Road to Hartford Hills Lane. The asphalt surfacing material is used primarily on our Class II roadways within Montgomery and provides five to seven years of asphalt preventative maintenance. The total cost of the project was approximately \$81,000 and was funded through the City's Capital Improvement Program. The public works staff partnered with Amberley Village to create a joint bid project. Savings for both communities was approximately five percent of total project costs.

Vintage Club Project

The public works department began oversight of construction associated with the Vintage Club Development which includes public funding for a two-story underground parking garage complete with a plaza deck level. Public funding is also being used for the construction and completion of Vintage Club Boulevard, entryway enhancements, landscaping, and lighting and modifications to create a round-about adjacent to the Three Chimneys Clubhouse. Staff will continue oversight of this project, in conjunction with Construction Process Solutions, LTD through project completion which is anticipated for early 2015.



Installation of new stone wall at Hopewell Cemetery

Hopewell Cemetery

A new dry-stack retaining wall was installed at Hopewell Cemetery utilizing native Ohio rock capped with Shenandoah rock providing an aesthetically appealing look that is also more relevant to the era of the cemetery. The new retaining wall replaced a timber wood structure that was deteriorating and beginning to fail. An expert rock mason from France was on site to assist with the installation of the new structure. The total cost of the project was approximately \$14,000.

Sidewalk Repair Program

Inspection and repair of all public sidewalks from Kennedy Lane to Mitchellfarm Lane was completed in 2013. This marked the thirteenth year of the City of Montgomery Inspection and Repair Program, which covers one quadrant of the City each year. The 2013 City-funded repair program included 1,783 square feet of concrete sidewalk removal and replacement and 850 square feet of concrete paver sidewalk repairs. Additionally, 18 crosswalk ramps were upgraded in the project "focus" area now meeting the requirements of the Americans with Disabilities Act (ADA). The entire cost of the repairs and capital upgrades was funded through the City's Capital Improvement Program in accordance with legislation adopted by Montgomery City Council in 2000.



Drainage Improvements in Public Right-of-way

Fuel Conservation

Fuel conservation efforts continued to reduce the department's overall fuel consumption by eliminating unnecessary idling, assuring tires on vehicles are properly inflated, removing excess items from vehicles that add weight, planning daily work tasks to eliminate unnecessary travel and other best practices.

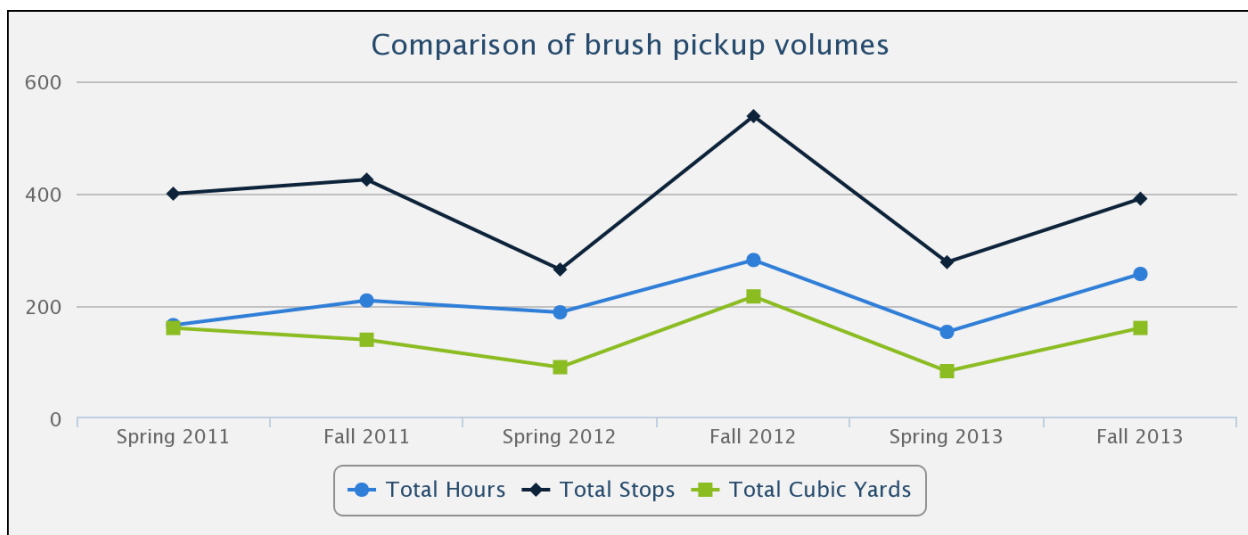
Drainage Improvements

Projects totaling approximately \$65,000 to improve localized drainage and erosion problems were completed in public easements or right-of-ways at the following locations:

- 8630 Zig Zag Road
- 8801 & 8805 Weller Road
- 10399 Stone Court
- Weller Road east of Bridgewater Lane
- 8924 East Kemper Road
- 9844 Zig Zag Road

Brush Program

Public works staff completed the semi-annual brush pick-up program resulting in 411 staff hours, 669 pick-up locations and the accumulation of 245 cubic yards of brush.



Tree City USA

The City of Montgomery received Tree City USA status for the eighteenth consecutive year as well as receiving the Tree City USA Growth Award for the fifteenth time. The efforts that garnered these awards included the work of committed volunteers who provided labor focused on the planting and care of publicly maintained trees. The collaborative work of City staff and Beautification and Tree Commission members demonstrated a true partnership that recognizes Montgomery as a community that has developed an urban forestry program which is among the best in Ohio and the United States.

Parks Projects

Several City park asphalt maintenance projects were completed in 2013 including:

- Asphalt sealcoating and striping of Swaim Park parking lot and basketball court;
- Asphalt sealcoating and striping of Pioneer Park parking lot;
- Asphalt sealcoating and striping of Weller Park parking lot and basketball court; and
- Asphalt repairs to pathways in Weller Park and Pioneer Park.

Montgomery and Pfeiffer Planned Improvements

In 2013, staff continued plans for an improvement project at the Montgomery Road and Pfeiffer Road intersection that is targeted for construction in 2014. The project will be primarily funded by a grant secured from OKI.