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City of Montgomery
City Council Special Session Minutes
September 11, 2019

Present

Brian Riblet, City Manager
Tracy Roblero, Asst. City Manager/Acting Comm. Dev. Director
Katie Smiddy, Finance Director
John Crowell, Chief of Police
Sgt. Kevin Gruber
Sgt. T.J. Shreve
Matthew Vanderhorst, Community and Information Services Director
Terry Willenbrink, Asst. Public Works Director
Julie Machon, Recreation Coordinator
Sarah Fink, Recreation Specialist
Paul Wright, Fire Chief
Ben Shapiro, Asst. Fire Chief
Melissa Hays, Community Development
Connie Gaylor, Clerk of Council
Sharon Savitt, Finance Specialist

City Council Members Present

Chris Dobrozi, Mayor
Lynda Roesch, Vice Mayor
Ken Suer
Craig Margolis
Gerri Harbison
Mike Cappel
Lee Ann Bissmeyer

City Council convened in Council Chambers for the Special Budget Review Session at 5:30 p.m. with Mayor Dobrozi presiding.

Mayor Dobrozi thanked staff for their work in the preparation of the 2020 Operating and Capital Budgets. He explained that the objective of this meeting was to be a fact-finding meeting in which all departments will go through their budgets with highlights and summaries of 2019 and their requests for 2020. He stated that the legislative process for passing the budget will begin at the September 18, Work Session for discussion and recommendation of adding to the October 2 Business Session for first reading. If there are amendments to the budget after this evenings meeting, Council will be updated at the October 2 Business Session. He stated that the legislation will go through the normal process of three separate readings and if all readings are approved it would be passed at the December 4 Business Session.

Mr. Riblet thanked staff for their time in compiling and reviewing the 2020-2024 and the Finance Department for putting together a well-presented budget book.

Mayor Dobrozi asked Ms. Smiddy to proceed with her budget in brief presentation.

Review of the 2020 Operating and Capital Budget

Ms. Smiddy presented the budget brief of the 2020 Operating and Capital Budget.

Ms. Smiddy explained to City Council that the 2020 budget continues the current service levels, and new projects and service enhancements will be guided by the City's Strategic Plan. The 2020 Budget includes an additional six full-time firefighters due to the passage of 2018 levy and recent 6 mil levy. The proposed 2020 budget for personnel includes 78 full-time employees and 20 part-time/seasonal employees.

Revenues Assumptions

A. Income Tax:

- Staff estimates income tax revenues will be 1% higher at the end of 2019 (\$9.4M) than 2018
- For 2020 and outer years, staff is conservatively forecasting a 1% increase which will bring collections to \$9.5M
- Reallocation of the Income tax revenues-GRA

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B. Real Estate Tax:

- Based on the reappraisal conducted by the Hamilton County Auditor in November 2018, the assessed valuation for the City increased from 585M in 2018 to 586M in 2019.
- With teardowns continuing to take place, continued property enhancements as well as new construction, staff has forecasted an annual increase of 1% for budget years 2020-2024.

C. Other Revenues (Investments, Gas Tax, Motor Vehicle Tax, Local Government Fund)

- Revenues are anticipated to remain relatively flat for 2020-2024

General Fund

Ms. Smiddy stated that the ending fund balance is projected to be \$13.8M or 1.5% less than 2019's budgeted ending fund balance of \$14.1M. This equates to a 15-month reserve in the general fund. This is a result of the 27 pay periods in 2020 and 2018 year-end estimates projected to be lower than the 2018 budget for Police, Recreation, Special Events, Development, and General Government.

Fire Fund

This fund is financed by a 5.55 and a new 6.0 mill property tax levy, which supports the City's fire, and emergency medical services operations. In 2020, the ending cash balance is estimated to be \$7.2M. The plan is to hire six additional firefighters 2020 and 2021.

GRA Tax Increment Financing (TIF) Fund

Ms. Smiddy stated that in 2014 the City began paying debt on \$13.2M of Special Obligation Bonds issued for construction of public parking garage and the VC Blvd. The City anticipates funding improvements for the Montgomery Quarter in 2020, which will require the issuing of \$15.5M in TIF revenue bonds. The debt associated with this project will be paid from tax increment revenues associated with the residential development and commercial improvements developed on the commercial development. Debt service will not commence until 2021.

Total City Revenues

Total City revenues for 2020 are forecasted at \$47.2M vs. \$24.4M for 2019. The 22.8M difference is attributable to the anticipated bond proceeds for the public improvements at the Montgomery Quarter and construction of the Roundabout.

General fund revenues are projected to increase 1% from 2020 due to estimated increases in both income tax and property tax collections in 2019.

Total City Expenditures

Total City expenditures are projected to be \$39.2M, which is an increase of \$15.4M from the 2019 forecasted expenditures of \$23.8M. This increase is due to the cost associated with the public improvements at the Montgomery Quarter.

Significant program changes reflected in the 2020 proposed budget (Operating and Capital budget highlights include)

- A. Preservation of capital assets
- Annual Street maintenance repair costs (\$1M)
 - Sidewalk repairs and replacement (\$42,000)
 - Asphalt surface treatments (\$125,000)

- 110 • Montgomery Road Sidewalk-Raudabaugh to Safety Center (\$350,000)
- 111 • Small drainage projects (\$90,000)
- 112 • Pfeiffer and Deerfield Roads Roundabout (\$178,000)
- 113

114 B. Park Improvements-Utilizing the Strategic Plan and the recent facilities study with American
115 Structurepoint, funds have been budget in the Parks capital maintenance, cap equip and operating equipment
116 accounts beginning in 2020-2024. Some of the capital projects programmed for construction in 2020 are
117 as follows:

- 118
- 119 • Playground equipment replacement at Swaim (\$125,000)
- 120 • Weller park roof replacement (\$18,600)
- 121 • Annex roof replacement (\$48,000)
- 122 • Weller & Pioneer site parking and paving (\$54,700)
- 123 • Swaim basketball and tennis court resurfacing (\$18,600)
- 124 • Montgomery park basketball court resurfacing (\$10,000)
- 125 • Dulle park tennis court resurfacing (\$50,000)
- 126

127 Staff and Council continued through each department's budget lines and discussed 2019 accomplishments and 2020
128 requests.

129
130 City Council thanked staff for their efforts on a very detailed budget presentation.

131
132 **OTHER BUSINESS**

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134 Mayor Dobrozsi asked if there was any further business to discuss in Public Session. There being none, he asked
135 for a motion to adjourn.

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137 Mr. Cappel moved to adjourn. Mr. Margolis seconded. City Council unanimously agreed.

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139 The Special Budget Review Session of City Council adjourned at 7:18 p.m.

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Connie Gaylor, Clerk of Council