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City of Montgomery
City Council Public Hearing Minutes
June 20, 2018

Present

Brian Riblet, City Manager
Terry Donnellon, Law Director
Gary Heitkamp, Public Works Director
Tracy Roblero, Community Development Director
Matthew Vanderhorst, Community and Information Services Director
Paul Wright, Fire Chief
Faith Lynch, Community Engagement Coordinator
Kathi Ranford, Customer Service Representative

City Council Members Present

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

City Council Members Absent

Chris Dobrozsi, Mayor

City Council convened in Council Chambers at 6:15 p.m. with Vice-Mayor Lynda Roesch presiding, to conduct a Public Hearing on the 2019 Tax Budget.

Ms. Smiddy explained that as a part of the preparation required for the 2019 annual operating and capital budget is the approval and submission of the City's Tax Budget. The Ohio Revised Code requires City Council to pass a resolution approving the tax budget by July 15 and must submit the approved budget to the County Auditor before July 20 of each year. Failure to approve and submit the Tax Budget by the required deadline could jeopardize the City's share of Local Government Funds.

The tax process starts when we receive the assessed taxable valuation of property from the County. This assessed valuation occurs annually and provides the city with property values and market conditions of the surrounding areas. Those assessed property values represent one of two major revenue categories received by that city. It's estimated that the total assessed property valuation for 2018 collected in 2019 will be \$527 million. This represents a slight increase of .19% from the assessed valuation for tax year 2018 of \$526 million.

Currently, the City has two funds which derive money from property taxes: The General Fund and The Fire Levy funds.

The General Fund collects 4.5 mills on real property (3 mills inside and 1.5 mills outside). It is estimated that the General Fund will collect \$2.6 million in property taxes in 2019 which is 5% higher than expected in 2018 collections on \$2.49 million.

The second major revenue category received by the city is income tax collections. Income tax collections in the General Fund are estimated to be \$7.2 million of the total income tax collections of \$9.1 million estimated for 2019. The assumption is that total income tax revenues are estimated to increase 1% over 2018 tax collections. For 2019, the amount of income tax revenues allocated to the General Fund is 80% and the Capital Improvement fund is to receive 20%.

Looking ahead at the planned revenues and expenditures outlined in the 2019 tax budget, General Fund revenues are estimated to remain relatively flat at 11.5 million, estimated expenditures are \$11.3 million and it's estimated that the General Fund will have a cash balance of approximately \$14.5 million at the end of fiscal year 2019.

At the time this Tax Budget was prepared (two months prior to the passage of the new levy), the numbers used in the proposed tax budget reflect the 5.55 mill permanent levy so total revenues are estimated to be 2.18 million in 2018 compared to \$2.6 million in 2017 and total expenditures for the 2018 fire levy fund were estimated to remain at 2017 levels of \$2.7 million.

56 The effect of the new levy and the existing levy will result in revenues of approximately 5.4 million with
57 anticipated 2019 expenditures of 2.6 million. The estimated ending cash balance for the Fire Levy for 2019 is \$7.0
58 million which is an operating reserve of 32 months which is slightly higher than the targeted balance of 6-12
59 months.

60
61 Capital spending is projected at \$2.1 million being spent on permanent improvements. These projects were taken
62 from the 2017-2021 Capital Improvement program and are projects which were reviewed and approved by City
63 Council on an individual basis. The presentation of these projects in this Tax Budget are intended to indicate a
64 level of spending for capital outlay.

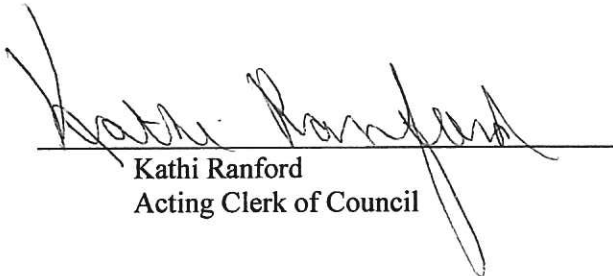
65
66 A schedule of outstanding debt is presented in the 2019 Tax Budget. The City will have approximately \$12.6
67 million of outstanding debt as of January 1, 2019 for special obligation and special assessment debt.

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69 Ms. Smiddy concluded her presentation of the 2019 Tax Budget.

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71 Vice-Mayor Roesch asked for questions by City Council members. There being none, the Public Hearing was
72 concluded.

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74 The meeting was adjourned at 6:22 p.m.

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Kathi Ranford
Acting Clerk of Council