

City of Montgomery
Financial Planning Committee Meeting
December 2, 2019

Present

Brian Riblet, City Manager
Tracy Roblero, Asst. City Manager/Acting Community Dev. Dir.
Katie Smiddy, Finance Director
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair
Lee Ann Bissmeyer
Mike Cappel

Guests

Steve Silverman

The Financial Planning Committee of Council meeting was called to order at 4:30 p.m. by Chairman Suer.

Guests and Residents

Steve Silverman, 7504 Golf Green Drive-Mr. Silverman asked Mr. Riblet the timeframe for the unlimited leaf collection.

Ms. Gaylor explained that City Council approved the extension of the unlimited collection this year from five weeks to eight weeks. She stated that the unlimited yard waste collection began on November 4 and will run through December 27. She added that any left-over yard waste will also be collected the first three Saturdays of January when the holiday greenery was picked up.

Mr. Silverman asked total cost was for the collection.

Mr. Riblet stated that he estimated it was approximately \$18,000 for the five weeks but asked if he could forward that information to Mr. Silverman at a later date so he could confirm the charges.

November 2019 Income Tax Report

Ms. Smiddy explained that for the month of November 2019, the City's total income tax receipts were \$643,195 which is an increase of \$75,954.50 or 13.3% compared to the actual amount collected in November 2018 of \$567,241. Year-to-date revenues are up 7.8% compared to 2018 collections, and this keeps us on pace to surpass our income tax revenue projection for 2019.

Ms. Smiddy stated that withholding collections were \$602,393; an increase of \$84,413 or 16.2% when compared to November 2018 collections of \$517,980. The variance is attributable to the difference in withholding tax received by two of our top employers. Staff believes that a 3-pay month fell in the month of November. Withholding revenue remains up for the year at 9.0%.

Ms. Smiddy stated that net profits from businesses located within or doing business within Montgomery were \$2,487. This is a decrease of \$5,050, or (67) % when compared to November 2018 collections of \$7,537. This variance is due to the timing of posting the business returns that were on extension. Total year-to-date business collections are up 0.9%.

Ms. Smiddy stated that revenues of \$38,315 were collected in November 2019 from residents living in Montgomery, which is a decrease of \$3,409 or (8.1) % compared to November 2018 collections of \$41,724. In November 2018, large estimated payments were remitted by three Montgomery residents, which accounts for most of this variance. Year-to-date resident revenue remains up at 6.0% over 2018 collections.

Supplemental Appropriations to the 2019 Budget

Ms. Smiddy explained that the proposed supplemental appropriations are necessary to reconcile accounts for the year 2019. She stated that the aggregate effect of the supplemental appropriations is to increase total appropriations by \$167,500 as a result of increased obligations in comparison to total appropriations. She stated that under Ohio Revised Code, appropriations cannot be exceeded by expenditures. She presented the breakdown of appropriations as follows:

2019 Year-End Appropriations

GENERAL FUND

From: Unappropriated General Fund 101			
101.201.5204 Board of Health	\$	3,350	
101.703.5335 Professional Services	\$	30,000	
101.715.5350 Refunds-Tax	\$	137,000	
101.715.5385 Property Tax	\$	14,000	
 Total			\$ 184,350

GRA Tax Increment Financing Fund

From: 329.000.5310 Utilities	\$	(200)	
329.000.5370 Treasurer Collections	\$	(500)	
329.000.5389 Property Taxes	\$	(100)	
329.000.5501 Bond Redemption	\$	(20,000)	
329.000.5503 Bond Interest	\$	(799,350)	
329.000.5505 Trustee Fee	\$	(2,000)	
To: Unappropriated GRA Tax Increment Financing Fund			\$ (822,150)
 Total			\$ (822,150)

VINTAGE CLUB (TAX INCREMENT FINANCING FUND)

From: Unappropriated Vintage Club Fund-331			\$ 92,195
To: 331.000.5370 Treasurer Collections	\$	92,195	
 Total			\$ 92,195

CAPITAL IMPROVEMENT FUND

From: Unappropriated Capital Improvement Fund-410			\$ 139,100
To: 410.000.5350 Refunds	\$	25,000	
410.261.5470 Capital Projects Street Maintenance	\$	100,000	
410.317.5405 Lodges-Capital Equipment	\$	6,350	
410.709.5405 Capital Equipment Public Works	\$	7,750	
 Total			\$ 139,100

Triangle Tax Increment Fund

From: Unappropriated Triangle Tax Increment Fund		\$	7,065
To: 461.000.5365 Contractual Services	\$	7,065	
Total		\$	7,065

GRA Capital Construction Fund

From: 464.000.5470 Capital Projects	\$ (10,000,000)		
To: Unappropriated GRA Capital Construction Fund		\$ (10,000,000)	
Total		\$ (10,000,000)	

Downtown Improvement Fund

From: Unappropriated Downtown Improvement Fund 480		\$	216,700
To: 480.000.5401 Special Projects	\$	216,700	
Total		\$	216,700

Ms. Smiddy stated that a revised list of supplemental appropriations would be presented at the December 18, 2019 Work Session that will capture the final reconciliation of accounts for 2019.

Mr. Cappel moved to support the budget amendment. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Proposed Amendments to the 2020 Budget

Ms. Smiddy explained the proposed appropriation revisions are necessary to amend accounts for the year 2020. She stated the aggregate effect of the appropriation amendments is to increase total appropriations by \$115,000 to account for expenses related to the City trolley and construction costs associated with the roundabout. She stated that the increases are reflected in the appropriations in the Street Maintenance and Repair Capital Equipment Fund (261), Capital Improvement Fund (410) and the Roundabout Fund (465) for fiscal year 2020.

Mrs. Bissmeyer asked if the trolley was owned solely by the City or if we were sharing it.

Mr. Riblet stated that we are sharing it, which could be good if its managed properly. He added that it is titled to the City and we are housing it.

Ms. Smiddy added further explanation for the increases for the Capital Improvement and Roundabout Funds of \$700,000. She stated that of the \$700,000, \$450,000 is attributed to the costs for the Montgomery Quarter garage and public improvements, \$250,000 in additional funding for the roundabout construction and \$15,000 for repairs to the trolley. She added that there will be a transfer of \$720,000 from the downtown improvement fund to the Montgomery Quarter Construction Fund (465) to cover costs associated with the construction of the Montgomery Quarter.

Ms. Smiddy stated that, if approved, by the Committee she would be happy to provide an explanation to all of Council at the December 4 Business Session.

Mr. Riblet stated that planning for the roundabout has been focused on estimated costs of \$9 million. He stated that he anticipated borrowing funds then getting reimbursed. He stated that as an alternative we are able to do a direct pay through ODOT with federal funds and not get reimbursed. He explained that ODOT would directly pay John R. Jurgensen. He stated that this would enable the City to absorb our local share costs and not have to borrow those funds. He stated that out of the \$7.3 million in construction costs, our local share would be \$2.4 million.

Mr. Riblet stated staff conducted an RFP process with consulting firms for construction engineering and inspection services and chose Prime AE as the firm to provide those services. He stated that the City could use the cost of those services as our 7% matching funds required through the grant.

Mr. Riblet added that \$2.4 million of our exposure will be reduced by \$300,000 as a result of a \$300,000 OPWC grant the City received. He stated that when you add the \$150,000 of Hamilton County TID funds that our overall exposure is \$2 million if all funds are used. He stated that a reason for the \$720,000 transfer is to ensure we have \$2 million in the fund to cover our exposure. He explained that \$6.14 million is estimated to be spent during Stage 1 of the roundabout improvements. He stated there is \$4 million in the Downtown Improvement Fund with an anticipated \$2.1 million and \$1 million in bond proceeds.

Mr. Riblet explained that we have options moving forward and should consider when it makes sense to borrow funds or use our own funds in order to keep our bond rating strong.

Mr. Cappel confirmed that he felt the point is to reduce borrowing and protect our credit rating.

Mr. Riblet added that the cost of the consulting services to manage the construction was \$485,000 for the project. He stated that if we issued this as an ODOT let job it would be 10% of the project so issuing it as Local let will save the city quite a bit of money.

Mrs. Bissmeyer asked if there were any other grants that we have applied for.

Mr. Riblet explained that staff has submitted for a state budget grant. He stated that we did receive \$200,000 through this grant program two years ago but he was optimistic we would get some form of funding through that program.

Mrs. Bissmeyer stated that the Arts Commission is trying to get a cultural grant.

Mr. Riblet stated that a multicultural building could possibly qualify for funds. He stated that he was keeping his eyes open for other applications.

Mr. Cappel made a motion to accept the 2020 Budget Amendments. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Steve Silverman, 7504 Golf Green Drive-Mr. Silverman asked Mr. Riblet to provide details on the trolley and asked who the purchase was in conjunction with.

Mr. Riblet explained that the purchase was from a private seller who purchased it for their own purpose. He stated that the plan was for it to be used for events. He stated that it was purchased for \$5,000. He described the trolley as the typical old-fashioned trolley bus. He added that the recreation department could use it at events or as a service, but this is all in the preliminary stages at this time.

Mr. Silverman asked if it would be featured in the bulletin.

Mr. Riblet stated that it would be at some point in 2020.

Other Business

Ms. Smiddy explained that second round interviews for the Finance Specialist were held and that a candidate is in the background check phase at that time. She stated she hoped to have someone in place the first of the year.


Minutes

Mr. Suer stated that he submitted a few amendments to the October 7 meeting minutes to Ms. Gaylor. Mr. Cappel moved to pass the October 7 minutes as amended. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Adjournment

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

The Financial Planning Committee of Council was adjourned at 4:55 p.m.



Chair