

February 26, 2021

To: Ken Suer, Chairman  
Financial Planning Committee of City Council

From: Brian Riblet, City Manager *BKR*

Subject: Financial Planning Committee Meeting March 1, 2021

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, March 1 at 4:30 p.m. at City Hall. The agenda for this meeting is as follows:

1. February 2021 Income Tax Report - The Income Tax Report for the month of February is attached for the Committee's review. Staff will be prepared to answer any questions on this report at Monday's meeting.
2. Tax Increment Financing Report - The Tax Increment Financing Report which details the amounts received and spent for the two Tax Increment Financing projects in the City. Staff will be prepared to answer any questions on this report at Monday's meeting.
3. Other Business - The purpose of this agenda item is to provide an opportunity to discuss any issue that may be on your mind, give feedback and insight into the team's performance, ask questions and provide constructive suggestions to enhance the team's performance in the future.

Also, attached are the minutes from the February 1, 2021 meeting of the Financial Planning Committee for review and approval at Monday's meeting.

Should you have questions or concerns regarding the above agenda items or have additional items to be discussed at the meeting, please do not hesitate to contact me.

c: Financial Planning Committee Members (2)  
Mayor and City Council Members (3)  
Katie Smiddy, Finance Director  
Connie Gaylor, Administrative Coordinator  
File

## **AGENDA**

March 1, 2021

4:30 P.M.

The meeting will also be offered both in place at City Hall at 10101 Montgomery Road and by teleconference for those who cannot attend in person or feel safer sheltering at home. To participate in this meeting by teleconference please use the following phone number: 1-866-228-9900 with a passcode of 204938.

1. Call to Order
2. Guests and Residents
3. Communications
4. New Business
  - a. February 2021 Income Tax Report
  - b. Tax Increment Financing Report
5. Approval of Minutes: February 1, 2021
6. Other Business
7. Adjournment

February 26, 2021

TO: Brian K. Riblet, City Manager

FROM: Katie Smiddy, Finance Director



SUBJECT: Tax Increment Financing Report FYE 2020

Please find attached a schedule of activities which details the amounts received and spent, both year-to-date and cumulative, for the two Tax Increment Financing projects in the City. The annual reports for the following TIF's have been electronically submitted to the Ohio Department of Development:

- Vintage Club (TIF Value Tax Year 2019 **\$106,566,343**)
- Triangle/Gateway (TIF Value Tax Year 2019 **\$5,850,950**)

Total combined TIF value is **\$112,417,293**. Copies of each report are attached for your information.

An aggregate recap of all activities both year to date and cumulative are presented below:

Amount of service payments and other sources deposited into TIF funds in 2020:

Service Payments	\$ 2,715,161.00
Cumulative Service Payments and Other Sources	\$ 5,280,258.00

Expenditures of funds from tax increment equivalent funds in 2020:

School Payments & Infrastructure Improvements	\$ 2,457,084.00
Cumulative Expenditures	\$ 5,015,894.00

Please let me know if you would like any additional information.

c: Tracy Roblero, Community Development Director  
Connie Gaylor, Administrative Coordinator

City of Montgomery  
Annual TIF Report Summary for Fiscal Year 2020  
2/22/2021

[illegible]





**Development  
Services Agency**

**TIFF REPORT – 2020**

1. Name of Local Jurisdiction: *City of Montgomery*
2. County: *Hamilton*
3. Jurisdiction that created the TIF: *Municipal*
4. TIF type: *Incentive District TIF*
5. Date Created: *10/19/05*
6. Identify Affected School District(s): *Sycamore*
7. Project Information/Name: *Triangle TIF*
8. Type of Project: *Commercial*
9. Type of Public Improvements: *Roadway Improvements, Pesestrian Walkways, Public Space/Green Space Enhancement*
10. Exemption %: *100.0* Exemption Term: *20.0*

11.	Project Investment:	Real Property	Personal Property (if applicable)
	Projected (at time of legislation)	\$6,500,000.00	_____
	Actual (as of 12/31/2020)	\$5,850,950.00	_____

12.	Employment Information:	Retained	Created
	Projected (at time of legislation)	_____	_____
	Actual (as of 12/31/2020)	_____	_____

13. Dollar amount of service payments deposited into the TIF's tax increment equivalent fund:

In Calendar Year 2020 *\$164,114.00* Cumulative (through 12/31/2020) *\$2,502,115.00*

Year first payment made *2006*

14. Expenditures of money from the tax increment equivalent fund for the public infrastructure associated with the TIF

In Calendar Year 2020 *\$157,979.00* Cumulative (through 12/31/2020) *\$3,470,599.00*

Year first expense made *2009*

15. Date of most recent Tax Incentive Review Council (TIRC): *06/24/20*

**I hereby represent and certify that the forgoing information, to the best of my knowledge, is true, complete, and accurately describes the status of the TIF project as of December 31, 2020.**

Title: \_\_\_\_\_ Date: \_\_\_\_\_



**Development  
Services Agency**

**TIFF REPORT – 2020**

1. Name of Local Jurisdiction: *City of Montgomery*
2. County: *Hamilton*
3. Jurisdiction that created the TIF: *Municipal*
4. TIF type: *Incentive District TIF*
5. Date Created: *07/23/14*
6. Identify Affected School District(s): *Sycamore*
7. Project Information/Name: *Vintage Club Phase I*
8. Type of Project: *Mixed*
9. Type of Public Improvements: *Parking facilities, Greenspace, Roadway Improvements, Public Utilities*
10. Exemption %: *100.0* Exemption Term: *30.0*

11.	Project Investment:	Real Property	Personal Property (if applicable)
	Projected (at time of legislation)	<i>\$211,660,825.00</i>	_____
	Actual (as of 12/31/2020)	<i>\$106,566,343.00</i>	_____

12.	Employment Information:	Retained	Created
	Projected (at time of legislation)	_____	_____
	Actual (as of 12/31/2020)	_____	_____

13. Dollar amount of service payments deposited into the TIF's tax increment equivalent fund:

In Calendar Year 2020 *\$2,544,944.00* Cumulative (through 12/31/2020) *\$11,002,548.00*  
Year first payment made *2016*

14. Expenditures of money from the tax increment equivalent fund for the public infrastructure associated with the TIF

In Calendar Year 2020 *\$2,299,105.00* Cumulative (through 12/31/2020) *\$10,681,790.00*  
Year first expense made *2014*

15. Date of most recent Tax Incentive Review Council (TIRC): *06/24/20*

**I hereby represent and certify that the forgoing information, to the best of my knowledge, is true, complete, and accurately describes the status of the TIF project as of December 31, 2020.**

Title: \_\_\_\_\_ Date: \_\_\_\_\_



**Development  
Services Agency**

**TIFF REPORT – 2020**

1. Name of Local Jurisdiction: *City of Montgomery*
2. County: *Hamilton*
3. Jurisdiction that created the TIF: *Municipal*
4. TIF type: *Incentive District TIF*
5. Date Created: *08/07/19*
6. Identify Affected School District(s): *Sycamore*
7. Project Information/Name: *Montgomery Quarter*
8. Type of Project: *Mixed*
9. Type of Public Improvements: *Parking Facilities, Greenspace, Roadway Improvements, Public Utilities*
10. Exemption %: *100.0* Exemption Term: *30.0*

11. Project Investment:	Real Property	Personal Property (if applicable)
Projected (at time of legislation)	\$65,388,400.00	_____
Actual (as of 12/31/2020)	\$0.00	_____

12. Employment Information:	Retained	Created
Projected (at time of legislation)	_____	1200.0
Actual (as of 12/31/2020)	_____	0.0

13. Dollar amount of service payments deposited into the TIF's tax increment equivalent fund:

In Calendar Year 2020	\$0.00	Cumulative (through 12/31/2020)	\$0.00
Year first payment made	_____		

14. Expenditures of money from the tax increment equivalent fund for the public infrastructure associated with the TIF

In Calendar Year 2020	\$5,256,993.00	Cumulative (through 12/31/2020)	\$5,256,993.00
Year first expense made	2020		

15. Date of most recent Tax Incentive Review Council (TIRC): \_\_\_\_\_

**I hereby represent and certify that the forgoing information, to the best of my knowledge, is true, complete, and accurately describes the status of the TIF project as of December 31, 2020.**

Title: \_\_\_\_\_ Date: \_\_\_\_\_

March 1, 2021

To: Brian Riblet, City Manager

From: Katie Smiddy, Finance Director 

Subject: 2021 February Income Tax Variance Report

**Year to Date**

For the month of February 2021, the City's total income tax receipts were \$694,094, which is a decrease of \$88,535 or (11.31) % compared to the 2020 February collections of \$782,626. Staff noticed a reduction in the typical volume of incoming mail in February compared to previous years; and collections show a decrease in the number of estimated payments remitted.

	2021	2020	% Change
MTD February Actuals	694,094	782,626	(11.31)
YTD Collections	1,742,511	1,698,988	2.56
	YTD Actual	YTD Estimate	% Change
2021 Estimated Collections	1,742,511	1,548,557	11.9

A breakdown by category for February 2021 is as follows:

**Withholding-** February 2021 withholding collections were \$658,420; a decrease of \$51,007 or (7.19) % when compared to February 2020 collections of \$709,427. Most of this variance is due to a large withholding payment that was remitted in 2020 by one of our top employers which escalated the numbers in February 2020.

**Business-** In February 2021, net profits from businesses located within or doing business within Montgomery were \$14,945. This is an increase of \$1,953, or (15.03) % when compared to February 2020 collections of \$12,992. The increase is minimal; however, business returns are typically on extension and revenue increases later in the year.

**Resident-** Revenues of \$20,729 were collected in February 2021 from residents living in Montgomery, which is a decrease of \$39,478 or (65.57) % when compared to

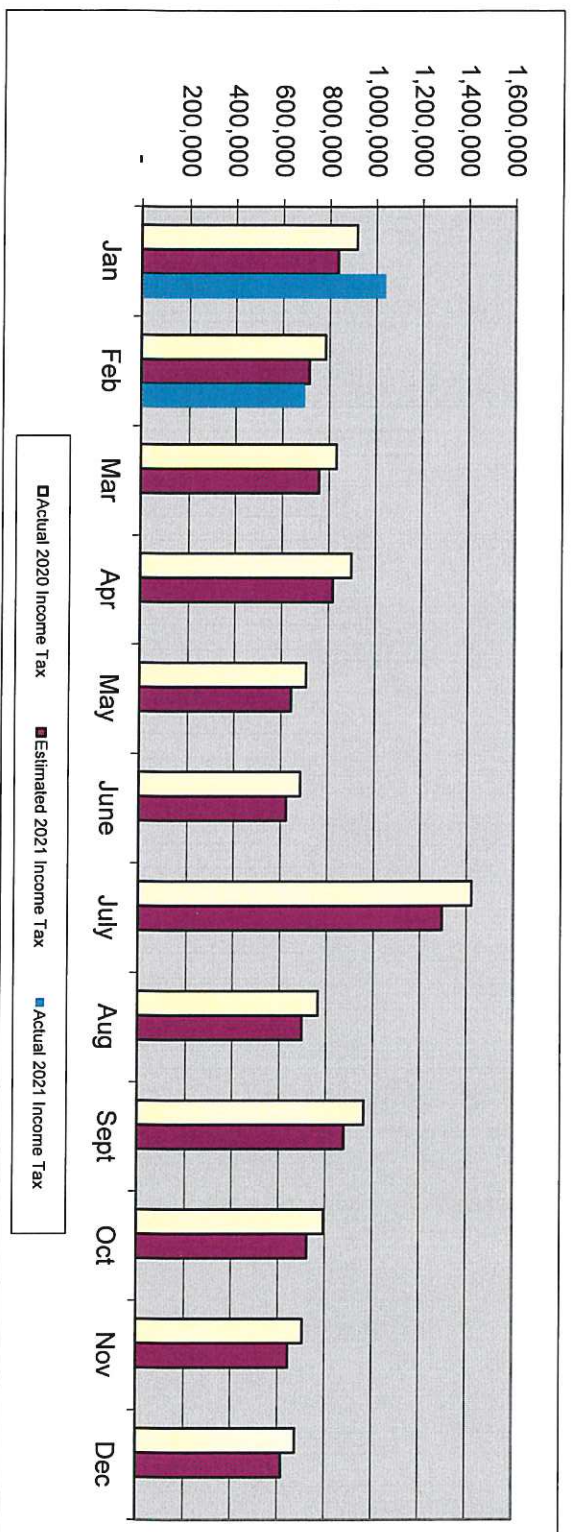


February 2020 collections of \$60,207. The decrease is partially due to the volume and amounts of 4<sup>th</sup> quarter estimated tax payments. January collections were more than double the typical collections for this time of year, causing the February decrease.

The following schedule breaks down collections by source and provides a graph comparing actual and estimated income tax revenues for 2020 and 2021. There is also an End of Month report attached showing the comparison between month-to-date and year-to-date.

- c: Financial Planning Committee Members (2)
- Mayor and City Council Members (3)
- Katie Smiddy, Finance Director
- Connie Gaylor, Administrative Coordinator
- File

	Actual 2020				Actual 2021				2021		Estimate		Actual	
	Business	Resident	Withholding	Total	Business	Resident	Withholding	Total	Estimate	Variance	%	Variance	%	
Jan	28,440	128,068	759,371	915,879	22,114	263,987	753,189	1,039,290	835,023	204,267	24.46%	123,411	13.47%	
Feb	12,992	60,207	709,427	782,626	14,945	20,729	658,420	694,094	713,534	(19,439)	-2.72%	(88,532)	-11.31%	
Mar	47,701	44,276	737,931	829,908				-	756,642					
Apr	87,594	192,504	616,698	896,796				-	817,624					
May	40,919	86,097	580,623	707,639				-	645,167					
June	82,210	116,413	487,087	685,709				-	625,173					
July	119,340	779,989	522,443	1,421,772				-	1,296,254					
Aug	15,372	74,313	675,636	765,321				-	697,756					
Sept	149,022	253,569	560,997	963,588				-	878,519					
Oct	27,611	146,113	620,619	794,342				-	724,216					
Nov	15,491	34,315	656,377	706,183				-	643,840					
Dec	59,567	106,737	509,622	675,926				-	616,253					
Totals	686,257	2,022,600	7,436,831	10,145,688	37,059	284,717	1,411,609	1,733,385	9,250,000	184,828	11.9%	34,880	0.3%	



## END OF MONTH REPORT - City of Montgomery

	MTD TWO YRS AGO	MTD LAST YR	MTD	THIS YR VS LAST YR MONTH %	YTD TWO YRS AGO	YTD LAST YR	YTD	THIS YR VS LAST YEAR %
BUSINESS	23,361.43	28,439.59	22,114.25	(22.24%)	23,361.43	28,439.59	22,114.25	(22.24%)
INDIVIDUAL	177,516.53	128,068.27	272,632.66	112.88%	177,516.53	128,068.27	272,632.66	112.88%
WITHHOLDING	681,087.45	759,853.54	753,669.87	(0.81%)	681,087.45	759,853.54	753,669.87	(0.81%)
01 JANUARY	881,965.41	916,361.40	1,048,416.78	14.41%	881,965.41	916,361.40	1,048,416.78	14.41%
BUSINESS	14,646.24	12,992.01	14,944.67	15.03%	38,007.67	41,431.60	37,058.92	(10.55%)
INDIVIDUAL	50,905.46	60,206.99	20,729.39	(65.57%)	228,421.99	188,275.26	293,362.05	55.82%
WITHHOLDING	539,389.55	709,427.46	658,419.74	(7.19%)	1,220,477.00	1,469,281.00	1,412,089.61	(3.89%)
02 FEBRUARY	604,941.25	782,626.46	694,093.80	(11.31%)	1,486,906.66	1,698,987.86	1,742,510.58	2.56%
BUSINESS	49,446.15	47,700.67	0.00	(100.00%)	87,453.82	89,132.27	37,058.92	(58.42%)
INDIVIDUAL	103,396.76	44,426.18	0.00	(100.00%)	331,818.75	232,701.44	293,362.05	26.07%
WITHHOLDING	478,539.70	737,930.53	0.00	(100.00%)	1,699,016.70	2,207,211.53	1,412,089.61	(36.02%)
03 MARCH	631,382.61	830,057.38	0.00	(100.00%)	2,118,289.27	2,529,045.24	1,742,510.58	(31.10%)
BUSINESS	288,685.64	87,593.71	0.00	(100.00%)	376,139.46	176,725.98	37,058.92	(79.03%)
INDIVIDUAL	669,423.26	192,504.10	0.00	(100.00%)	1,001,242.01	425,205.54	293,362.05	(31.01%)
WITHHOLDING	875,056.70	616,697.91	0.00	(100.00%)	2,574,073.40	2,823,909.44	1,412,089.61	(50.00%)
04 APRIL	1,833,165.60	896,795.72	0.00	(100.00%)	3,951,454.87	3,425,840.96	1,742,510.58	(49.14%)
BUSINESS	14,709.15	40,919.24	0.00	(100.00%)	390,848.61	217,645.22	37,058.92	(82.97%)
INDIVIDUAL	178,477.93	86,096.86	0.00	(100.00%)	1,179,719.94	511,302.40	293,362.05	(42.62%)
WITHHOLDING	585,896.33	580,622.96	0.00	(100.00%)	3,159,969.73	3,404,532.40	1,412,089.61	(58.52%)



## END OF MONTH REPORT - City of Montgomery

	MTD TWO YRS AGO	MTD LAST YR	MTD	THIS YR VS LAST YR MONTH %	YTD TWO YRS AGO	YTD LAST YR	YTD	THIS YR VS LAST YEAR %
05 MAY	779,083.41	707,639.06	0.00	(100.00%)	4,730,538.28	4,133,480.02	1,742,510.58	(57.84%)
BUSINESS	65,634.06	82,209.98	0.00	(100.00%)	456,482.67	299,855.20	37,058.92	(87.64%)
INDIVIDUAL	212,175.51	116,457.51	0.00	(100.00%)	1,391,895.45	627,759.91	293,362.05	(53.27%)
WITHHOLDING	564,697.64	487,086.54	0.00	(100.00%)	3,724,667.37	3,891,618.94	1,412,089.61	(63.71%)
06 JUNE	842,507.21	685,754.03	0.00	(100.00%)	5,573,045.49	4,819,234.05	1,742,510.58	(63.84%)
BUSINESS	23,226.76	119,339.82	0.00	(100.00%)	479,709.43	419,195.02	37,058.92	(91.16%)
INDIVIDUAL	51,475.67	779,989.39	0.00	(100.00%)	1,443,371.12	1,407,749.30	293,362.05	(79.16%)
WITHHOLDING	705,914.06	522,443.24	0.00	(100.00%)	4,430,581.43	4,414,062.18	1,412,089.61	(68.01%)
07 JULY	780,616.49	1,421,772.45	0.00	(100.00%)	6,353,661.98	6,241,006.50	1,742,510.58	(72.08%)
BUSINESS	7,883.66	15,371.57	0.00	(100.00%)	487,593.09	434,566.59	37,058.92	(91.47%)
INDIVIDUAL	39,051.69	74,312.99	0.00	(100.00%)	1,482,422.81	1,482,062.29	293,362.05	(80.21%)
WITHHOLDING	511,278.89	675,636.40	0.00	(100.00%)	4,941,860.32	5,089,698.58	1,412,089.61	(72.26%)
08 AUGUST	558,214.24	765,320.96	0.00	(100.00%)	6,911,876.22	7,006,327.46	1,742,510.58	(75.13%)
BUSINESS	68,875.01	149,021.75	0.00	(100.00%)	556,468.10	583,588.34	37,058.92	(93.65%)
INDIVIDUAL	215,210.69	253,568.65	0.00	(100.00%)	1,697,633.50	1,735,630.94	293,362.05	(83.10%)
WITHHOLDING	596,316.68	560,997.16	0.00	(100.00%)	5,538,177.00	5,650,695.74	1,412,089.61	(75.01%)
09 SEPTEMBER	880,402.38	963,587.56	0.00	(100.00%)	7,792,278.60	7,969,915.02	1,742,510.58	(78.14%)



## END OF MONTH REPORT - City of Montgomery

	MTD TWO YRS AGO	MTD LAST YR	MTD	THIS YR VS LAST YR MONTH %	YTD TWO YRS AGO	YTD LAST YR	YTD	THIS YR VS LAST YEAR %
BUSINESS	36,110.51	27,610.66	0.00	(100.00%)	592,578.61	611,199.00	37,058.92	(93.94%)
INDIVIDUAL	131,038.24	146,112.59	0.00	(100.00%)	1,828,671.74	1,881,743.53	293,362.05	(84.41%)
WITHHOLDING	575,792.82	620,619.06	0.00	(100.00%)	6,113,969.82	6,271,314.80	1,412,089.61	(77.48%)
10 OCTOBER	742,941.57	794,342.31	0.00	(100.00%)	8,535,220.17	8,764,257.33	1,742,510.58	(80.12%)
BUSINESS	2,487.05	15,490.83	0.00	(100.00%)	595,065.66	626,689.83	37,058.92	(94.09%)
INDIVIDUAL	38,315.30	34,315.08	0.00	(100.00%)	1,866,987.04	1,916,058.61	293,362.05	(84.69%)
WITHHOLDING	602,392.68	656,377.41	0.00	(100.00%)	6,716,362.50	6,927,692.21	1,412,089.61	(79.62%)
11 NOVEMBER	643,195.03	706,183.32	0.00	(100.00%)	9,178,415.20	9,470,440.65	1,742,510.58	(81.60%)
BUSINESS	56,735.48	59,566.52	0.00	(100.00%)	651,801.14	686,256.35	37,058.92	(94.60%)
INDIVIDUAL	156,156.64	106,737.34	0.00	(100.00%)	2,023,143.68	2,022,795.95	293,362.05	(85.50%)
WITHHOLDING	520,259.35	509,621.67	0.00	(100.00%)	7,236,621.85	7,437,313.88	1,412,089.61	(81.01%)
12 DECEMBER	733,151.47	675,925.53	0.00	(100.00%)	9,911,566.67	10,146,366.18	1,742,510.58	(82.83%)
	9,911,566.67	10,146,366.18	1,742,510.58	(82.83%)	67,425,218.82	67,121,262.67	20,216,033.16	(69.88%)

*These Minutes are a draft of the proposed minutes from the Financial Planning Committee of City Council meeting. They do not represent the official record of proceedings until formally adopted by the Government Affairs Committee of City Council.*

City of Montgomery  
Financial Planning Committee Meeting  
February 1, 2021

**Present**

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

**Council Committee Members Present**

Ken Suer, Chair  
Mike Cappel-Teleconference  
Lee Ann Bissmeyer-Teleconference

The Financial Planning Committee of Council convened its meeting for February 1, 2021 at 4:30 p.m. as a hybrid meeting held at City Hall and by telephone conference with Mr. Suer presiding. This remote access meeting was allowed by emergency legislation adopted last week by the Ohio General Assembly and approved by the Governor. The emergency legislation added language to RC Section 121.22 allowing public meetings by telephone conference during the current pandemic and declared State of Emergency. As required by the statute, notice of the telephonic meeting was publicized more than 24 hours in advance to allow public access through the same conference call in service. The public was also given a backup number to call in the event there were technical difficulties. This Notice was posted on the City's website and a similar Notice was sent to The Cincinnati Enquirer.

**January 2021 Income Tax Report**

Ms. Smiddy reported for the month of January 2021, the City's total income tax receipts were \$1,039,290, which is an increase of \$122,929 or 13.41% compared to the 2020 January collections of \$916,361. The increase is primarily due to several large, estimated tax payments remitted by residents.

Ms. Smiddy reported in January 2021, net profits from businesses located within or doing business within Montgomery were \$22,114. This is a decrease of \$6,326, or (22.24)% when compared to January 2020 collections of \$28,440. Staff reported that the number of businesses who opted to file directly with the State has increased from 167 to 200 which explains the small fluctuation in revenue as the State will withhold a 1% administrative fee when they process and send payments to the City.

Ms. Smiddy reported that revenues of \$263,987 were collected in January 2021 from residents living in Montgomery, which is an increase of \$135,919 or 106.13 % when compared to January 2020 collections of \$128,068. The increase is partially due to the volume and amounts of 4<sup>th</sup> quarter estimated tax payments.

**Financial Statements for the Community Improvement Corporation**

Ms. Smiddy reported to the Committee that the 2020 Financial Statements and Corporation Tax Return for the Montgomery Community Improvement Corporation (CIC) have been completed and reviewed. Ms. Smiddy explained the following:

- The Statement of Net Position reflects that the Corporation had \$2,134,186 in a demand deposit account at Fifth Third Bank as of December 31, 2020.
- The Statement of Financial Activities reflects Grants Received of \$2,141,596, Interest Income of \$55, Grants Awarded of \$9,179 and Professional Fees expensed in the amount of \$36,000 for the year ended December 31, 2020.



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February 1, 2021  
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- The Statement of Cash Flow reflects the corporation increased its cash position from \$40,715 in 2019 to \$2,134,186 in 2020 as a result of a grant received from the City of Montgomery.

Ms. Smiddy stated that the Corporation's tax return would be on the agenda for the CIC meeting scheduled for February 3, 2021.

### **Review of 2020 Revenues and Expenditures**

Ms. Smiddy reported on the revenue and expenditure variances for the year ending December 31, 2020. The following points were discussed:

- In 2020, the City experienced another positive year with income tax revenue exceeding the estimate. The 2020 income tax collections were up 3% or \$358,000 from 2019. Income tax, the City's primary source of funding for general operations, accounted for 82.3% of the general fund operating revenues and 29% of City's total operating revenues in 2019.
- In evaluating the Income Tax collections for 2020, receipts surpassed \$10 million coming in at \$10.1M which is 6.74% higher than the estimate. In reviewing the collections for the previous 10 years, revenues continue to tick upward, remaining a reliable source of funding for the City's general operations.
- For Property Tax collections, the City's second largest revenue source, as in prior years the assessed valuation increased for 2020, however total property tax receipts were 3.7% less than the budget estimate for 2020.
- The City's investment portfolio outperformed 2020 estimates as a result of favorable interest rates at the start of the year that outpaced rates on Treasury Bills. The City's investments that are contained in a laddered maturity plan held maturities in the amount of \$15.4M as of December 31, 2020.
- The Municipal Pool fund saw a decrease in revenue receipts compared to 2019 as a result of the COVID-19 pandemic and associated restrictions. With a decrease in overall attendance, limited concessions and distance restrictions, the revenue implications, although disappointing, were anticipated by staff.
- The City currently has two active Tax Increment Financing (TIF) projects. The Triangle and Vintage Club Phase I share 50 % revenues after expenses are paid, with the Sycamore School district. All annual service payments and/or debt service is to be paid from the TIF revenues.
- As of December 31, 2020, there exists a cumulative deficit of \$160,567 on the Triangle property. An agreement has been recently entered into with the Developer to repay the deficit over the remaining seven-year term of the TIF. The TIF expires in 2026.
- The original Vintage Club 2013 bond issues was refinanced in fourth quarter 2019 and the outstanding bonds of \$11M will be amortized through 2037.
- Total City expenditures were under appropriations for the year. Both the total and general fund expenditures and commitments were well within the target for managed spending and appropriations.

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## Financial Planning Committee Minutes

February 1, 2021

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- As of December 31, 2020, the City had both Special Assessment Debt and Special Obligation Debt. The Reserves of Montgomery Special Assessment has a final maturity date this year with the last principal and interest payment of \$46,710 being made in December.
- The Special Obligation Bonds for the 2013 Vintage Club refunding series have a \$22.4 million outstanding balance and a final maturity of 2037. Debt Service payments for this debt are made as payments in lieu of taxes (PILOT) to the property owners located in the Vintage Club development.

The City has reserve requirements and/or targeted fund balances on five City funds:

- General Fund
- Fire Levy
- Capital Improvement Fund
- General Bond Retirement Fund
- Arts and Amenities Fund

The General Fund has a reserve of 18 months, the Fire Fund has a 42-month reserve, and both the Capital Improvement Fund and the Arts and Amenities Fund have unencumbered cash balances that were well above the targeted fund balances.

Ms. Smiddy stated in summary, 2020 proved another fiscally positive year as the City was able to fund current obligations while securing a stable economic future. She stated the City's fiscal stability enabled staff to perform the various general government functions, negotiate and finalize the Montgomery Quarter project, refinance the series 2013 Vintage Club debt for a savings of \$2M and focus on infrastructure improvements and resident services. The City is well positioned to move forward with its priorities in 2021 and beyond.

Mr. Cappel stated that he felt everything was going in the right direction. Mrs. Bissmeyer agreed.

Mr. Suer stated he thought that the reported items provided great insight into the City's fiscal position. He stated that revenues continue to go up as well as the assessed valuation of properties. He stated that while we are restricted in our investment practices that our goal is to preserve capital. He pointed out that our building permit revenues were down which he attributed to the decrease in teardowns.

Ms. Henao explained that while teardowns were down slightly in 2020, it proved to be the highest year for new building permits. She explained that many of the permits were for renovations and additions rather than for new builds, which decreased the permit fees and revenue.

Mrs. Bissmeyer stated that she felt exceeding our minimums in reserves is a sign of our fiscal discipline.

Mr. Suer stated that the Municipal Pool fund was one of the few areas affected by the pandemic. He stated that if the Triangle TIF fund delinquencies get addressed that we should be in good shape. He stated that he felt comfortable that the City would be prepared for an economic downturn if that happened.

Mrs. Bissmeyer added that the healthy reserves allow the City to refinance debt and to retain a good bond rating.



*These Minutes are a draft of the proposed minutes from the Financial Planning Committee of City Council meeting. They do not represent the official record of proceedings until formally adopted by the Government Affairs Committee of City Council.*

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### **Other Business**

Mr. Riblet updated the Committee on current hiring processes for the Community Development Director, and the Community Engagement Coordinator.

Ms. Smiddy updated the Committee on the review of the Paylocity software which offers itself as both a human resource and payroll software package. She further explained that it included a sophisticated scheduling module along with time and attendance module that would be very beneficial to the police and fire departments. She stated that its automatic scheduling module accounts for time off requests. She explained she has worked with both the police and fire departments to test it with their own data and would provide Mr. Riblet with their feedback. She added that, if approved, the intent would be to begin using it in the second quarter of the 2021.

Mrs. Bissmeyer asked Ms. Smiddy if she has learned of any changes to tax filings being changed to designate filing based on where someone lives since so many people are working remotely.

Ms. Smiddy replied that there have been no changes to the tax law at this time and that the Governor continues to direct that the principal place of business is how an individual is to file.

### **Minutes**

Mr. Cappel moved to accept the minutes of the December 7, 2020 meeting of the Financial Planning Committee as written. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

### **Adjournment**

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

The Financial Planning Committee of Council was adjourned at 5:15 p.m.

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Chair