

July 29, 2022

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

From: Brian K. Riblet, City Manager *BKR*

Subject: Financial Planning Committee Meeting August 1, 2022

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

1. July 2022 Income Tax Report—The Income Tax Report for the month of July is attached for the Committee's review. Staff will be prepared to answer any questions on this report at Monday's meeting.
2. Update on the 2023 Budget Preparation—Staff will provide an update to the Committee on the status of the 2023-2027 operating budget.
3. Other Business - The purpose of this agenda item is to provide an opportunity to discuss any issue or ask questions.

Also, attached are the minutes from the June 6, 2022 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)  
Trach Henao, Acting Finance Director  
Connie Gaylor, Executive Assistant/Clerk of Council  
File

**AGENDA**

August 1, 2022  
4:30 P.M.  
City Hall

1. Call to Order
2. Guests and Residents
3. Communications
4. New Business
  - a. July 2022 Income Tax Report
  - b. Update on 2023 Budget Process
5. Approval of Minutes: June 6, 2022
6. Other Business
7. Adjournment

July 29, 2022

To: Brian Riblet, City Manager  
From: Cynthia Abner, Finance Specialist  
Subject: 2022 July Income Tax Variance Report

**Year to Date**

For the month of July, the City's total income tax receipts were \$676,354, which is an increase of \$10,110 or 1.52% when compared to the 2021 July collections of \$666,244. The majority of the 2021 returns received to date have been entered in the system. Collections are up 15.85% when compared to 2021.

	2022	2021	% Change
MTD July Actuals	676,354	666,244	1.52%
YTD Collections	7,701,195	6,647,373	15.85%
	YTD Actual	YTD Estimate	% Change
2022 Estimated Collections	7,701,195	6,135,052	25.5%

A breakdown by category for July 2022 is as follows:

Withholding- July 2022 withholding collections were \$572,972; a decrease of \$36,159 or (5.94%) when compared to July 2021 collections of \$609,131. Reports show a higher volume of payments in 2021 versus 2022; however, year-to-date collections remain up at 12.34%.

Business- In July 2022, net profits from businesses located within or doing business within Montgomery were \$12,246. This is a decrease of \$1,659 or (11.93%) when compared to July 2021 collections of \$13,905. Reports show that collections were fairly consistent with the 2021 revenue. Year-to-date business revenue remains up at 75.85%. Since a large percentage of business returns will not be posted until the extension due date in October, we will have a better idea of revenue once these are posted.

Resident- Revenues of \$91,136 were collected in July 2022 from residents living in Montgomery, which is an increase of \$43,208 or 110.92% when compared to July 2021

collections of \$43,208. The variance is attributed to a higher volume of payments in July of 2022 as well as one large estimated tax payment from one resident.

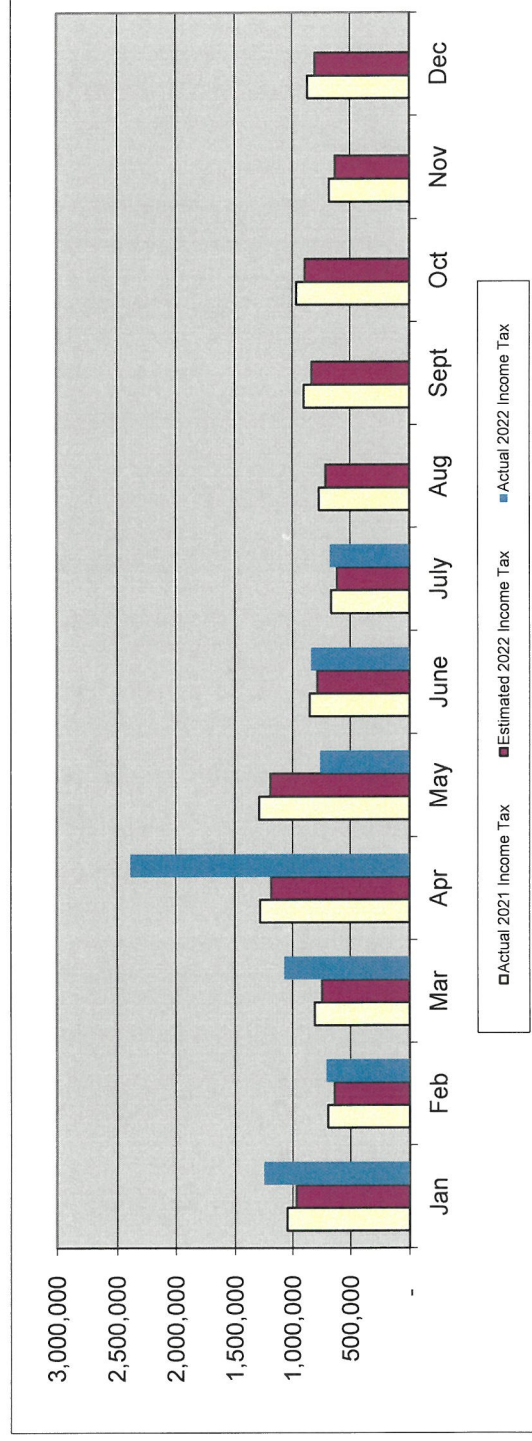
The following schedule breaks down collections by source and provides a graph comparing actual and estimated income tax revenues for 2020 and 2021. There is also an End of Month report attached showing the comparison between month-to-date and year-to-date.

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



**Schedule of Income Tax Collections by Source**  
**Actual 2021 Compared to 2022 Estimate & Actual**

	Actual 2021			Actual 2022			2022			Estimate			Actual		
	Business	Resident	Withholding	Total	Business	Resident	Withholding	Total	Estimate	Variance	%	Variance	%	Variance	%
Jan	22,114	272,633	754,152	1,048,899	25,330	151,267	1,074,100	1,250,697	968,059	282,638	29.20%	201,798	19.24%		
Feb	14,945	20,729	658,420	694,094	17,997	23,418	668,609	710,024	640,600	69,425	10.84%	15,930	2.30%		
Mar	53,011	126,857	627,421	807,289	66,619	114,578	892,841	1,074,039	745,070	328,969	44.15%	266,750	33.04%		
Apr	215,044	364,009	706,378	1,285,431	568,375	1,040,677	780,953	2,390,006	1,186,361	1,203,645	101.46%	1,104,575	85.93%		
May	64,004	501,273	727,813	1,293,090	22,090	127,402	612,765	762,257	1,193,430	(431,173)	-36.13%	(530,833)	-41.05%		
June	61,639	294,466	496,221	852,326	69,320	226,107	542,392	837,819	786,636	51,183	6.51%	(14,507)	-1.70%		
July	13,905	43,208	609,131	666,244	12,246	91,136	572,972	676,354	614,896	61,458	9.99%	10,110	1.52%		
Aug	15,164	44,606	711,115	770,885	-	-	-	-	711,472	-	0.00%	-	0.00%		
Sept	74,070	249,155	577,700	900,925	-	-	-	-	831,490	-	0.00%	-	0.00%		
Oct	56,672	163,223	744,639	964,534	-	-	-	-	890,196	-	0.00%	-	0.00%		
Nov	15,110	28,824	638,614	682,548	-	-	-	-	629,943	-	0.00%	-	0.00%		
Dec	44,872	269,806	554,130	868,808	-	-	-	-	801,848	-	0.00%	-	0.00%		
<b>Totals</b>	<b>650,551</b>	<b>2,378,789</b>	<b>7,805,734</b>	<b>10,835,074</b>	<b>781,978</b>	<b>1,774,586</b>	<b>5,144,633</b>	<b>7,701,196</b>	<b>10,000,000</b>	<b>1,566,144</b>	<b>25.5%</b>	<b>1,053,822</b>	<b>15.9%</b>		



## 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	28,439.59	22,114.25	25,330.08	14.54%	28,439.59	22,114.25	25,330.08	14.54%
INDIVIDUAL	128,068.27	272,632.66	151,266.85	(44.52%)	128,068.27	272,632.66	151,266.85	(44.52%)
WITHHOLDING	759,371.18	754,152.23	1,074,100.32	42.42%	759,371.18	754,152.23	1,074,100.32	42.42%
01 JANUARY	915,879.04	1,048,899.14	1,250,697.25	19.24%	915,879.04	1,048,899.14	1,250,697.25	19.24%
BUSINESS	12,992.01	14,944.67	17,996.86	20.42%	41,431.60	37,058.92	43,326.94	16.91%
INDIVIDUAL	60,206.99	20,729.39	23,418.17	12.97%	188,275.26	293,362.05	174,685.02	(40.45%)
WITHHOLDING	709,427.46	658,419.74	668,609.25	1.55%	1,468,798.64	1,412,571.97	1,742,709.57	23.37%
02 FEBRUARY	782,626.46	694,093.80	710,024.28	2.30%	1,698,505.50	1,742,992.94	1,960,721.53	12.49%
BUSINESS	47,700.67	53,010.61	66,619.40	25.67%	89,132.27	90,069.53	109,946.34	22.07%
INDIVIDUAL	44,426.18	126,857.39	114,578.45	(9.68%)	232,701.44	420,219.44	289,263.47	(31.16%)
WITHHOLDING	737,930.53	627,421.17	892,840.87	42.30%	2,206,729.17	2,039,993.14	2,635,550.44	29.19%
03 MARCH	830,057.38	807,289.17	1,074,038.72	33.04%	2,528,562.88	2,550,282.11	3,034,760.25	19.00%
BUSINESS	87,593.71	215,061.10	568,375.14	164.29%	176,725.98	305,130.63	678,321.48	122.31%
INDIVIDUAL	192,504.10	368,989.92	1,040,677.36	182.03%	425,205.54	789,209.36	1,329,940.83	68.52%
WITHHOLDING	616,697.91	706,378.28	780,953.20	10.56%	2,823,427.08	2,746,371.42	3,416,503.64	24.40%
04 APRIL	896,795.72	1,290,429.30	2,390,005.70	85.21%	3,425,358.60	3,840,711.41	5,424,765.95	41.24%
BUSINESS	40,919.24	64,003.47	22,090.21	(65.49%)	217,645.22	369,134.10	700,411.69	89.74%
INDIVIDUAL	86,096.86	496,275.64	127,401.77	(74.33%)	511,302.40	1,285,485.00	1,457,342.60	13.37%
WITHHOLDING	580,622.96	727,813.14	612,764.69	(15.81%)	3,404,050.04	3,474,184.56	4,029,268.33	15.98%



## 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	707,639.06	1,288,092.25	762,256.67	(40.82%)	4,132,997.66	5,128,803.66	6,187,022.62	20.63%
BUSINESS	82,209.98	61,638.95	69,320.31	12.46%	299,855.20	430,773.05	769,732.00	78.69%
INDIVIDUAL	116,457.51	294,465.69	226,106.70	(23.21%)	627,759.91	1,579,950.69	1,683,449.30	6.55%
WITHHOLDING	487,086.54	496,220.60	542,392.22	9.30%	3,891,136.58	3,970,405.16	4,571,660.55	15.14%
06 JUNE	685,754.03	852,325.24	837,819.23	(1.70%)	4,818,751.69	5,981,128.90	7,024,841.85	17.45%
BUSINESS	119,339.82	13,905.44	12,246.00	(11.93%)	419,195.02	444,678.49	781,978.00	75.85%
INDIVIDUAL	779,989.39	43,207.80	91,135.53	110.92%	1,407,749.30	1,623,158.49	1,774,584.83	9.33%
WITHHOLDING	522,443.24	609,130.69	572,972.07	(5.94%)	4,413,579.82	4,579,535.85	5,144,632.62	12.34%
07 JULY	1,421,772.45	666,243.93	676,353.60	1.52%	6,240,524.14	6,647,372.83	7,701,195.45	15.85%
BUSINESS	15,371.57	15,163.58	0.00	(100.00%)	434,566.59	459,842.07	781,978.00	70.05%
INDIVIDUAL	74,312.99	44,606.38	0.00	(100.00%)	1,482,062.29	1,667,764.87	1,774,584.83	6.40%
WITHHOLDING	675,636.40	711,115.45	0.00	(100.00%)	5,089,216.22	5,290,651.30	5,144,632.62	(2.76%)
08 AUGUST	765,320.96	770,885.41	0.00	(100.00%)	7,005,845.10	7,418,258.24	7,701,195.45	3.81%
BUSINESS	149,021.75	74,070.41	0.00	(100.00%)	583,588.34	533,912.48	781,978.00	46.46%
INDIVIDUAL	253,568.65	249,154.53	0.00	(100.00%)	1,735,630.94	1,916,919.40	1,774,584.83	(7.43%)
WITHHOLDING	560,997.16	577,699.78	0.00	(100.00%)	5,650,213.38	5,868,351.08	5,144,632.62	(12.33%)
09 SEPTEMBER	963,587.56	900,924.72	0.00	(100.00%)	7,969,432.66	8,319,182.96	7,701,195.45	(7.43%)

## 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	27,610.66	56,672.48	0.00	(100.00%)	611,199.00	590,584.96	781,978.00	32.41%
INDIVIDUAL	146,112.59	163,223.09	0.00	(100.00%)	1,881,743.53	2,080,142.49	1,774,584.83	(14.69%)
WITHHOLDING	620,619.06	744,639.05	0.00	(100.00%)	6,270,832.44	6,612,990.13	5,144,632.62	(22.20%)
10 OCTOBER	794,342.31	964,534.62	0.00	(100.00%)	8,763,774.97	9,283,717.58	7,701,195.45	(17.05%)
BUSINESS	15,490.83	15,109.72	0.00	(100.00%)	626,689.83	605,694.68	781,978.00	29.10%
INDIVIDUAL	34,315.08	28,823.95	0.00	(100.00%)	1,916,058.61	2,108,966.44	1,774,584.83	(15.86%)
WITHHOLDING	656,377.41	638,614.13	0.00	(100.00%)	6,927,209.85	7,251,604.26	5,144,632.62	(29.06%)
11 NOVEMBER	706,183.32	682,547.80	0.00	(100.00%)	9,469,958.29	9,966,265.38	7,701,195.45	(22.73%)
BUSINESS	59,566.52	44,872.03	0.00	(100.00%)	686,256.35	650,566.71	781,978.00	20.20%
INDIVIDUAL	107,472.62	269,806.15	0.00	(100.00%)	2,023,531.23	2,378,772.59	1,774,584.83	(25.40%)
WITHHOLDING	509,621.67	554,129.78	0.00	(100.00%)	7,436,831.52	7,805,734.04	5,144,632.62	(34.09%)
12 DECEMBER	676,660.81	868,807.96	0.00	(100.00%)	10,146,619.10	10,835,073.34	7,701,195.45	(28.92%)
	10,146,619.10	10,835,073.34	7,701,195.45	(28.92%)	67,116,209.63	72,762,688.49	71,089,982.15	(2.30%)



*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  
June 6, 2022

**Present**

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

**Council Committee Members Present**

Ken Suer, Chair  
Mike Cappel  
Lee Ann Bissmeyer

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The Financial Planning Committee of Council convened its meeting for May 6, 2022 at 4:30 p.m. at City Hall with Mr. Suer presiding.

**Regional Income Tax Authority (RITA) Presentation**

Brian Thunberg and Angela Veazey of RITA provided background of the organization as well as an overview of the services that RITA could provide to the City in relation to full service tax collections. Mr. Thunberg explained that while residents would be able to utilize the tax system online, they could still visit City Hall to obtain assistance and have that community involvement.

Mrs. Bissmeyer asked of the six locations in Ohio, which location was near Montgomery.

Mr. Thunberg stated that the Xenia office would be the closest. He explained that currently they are in a two-year agreement in that location but as they grow, they will continue to look for additional locations in southwest Ohio.

Ms. Smiddy explained that among their services she is interested in the compliance aspect of their services. She stated she felt with the relationship they have presented that residents would not see any differences in service.

Mr. Cappel asked if RITA was a public entity.

Mr. Thunberg explained that RITA is a Government Non-Profit as established in Chapter 167 of the O.R.C. He stated that the agency does not make money actually.

Mr. Cappel asked how residents who do not file returns electronically would be serviced.

Mr. Thunberg replied that they could drop off their returns as they do now, and the Tax Department staff would file for them.

Mr. Suer stated that while the State of Ohio would be in favor of all communities being clients of RITA that Council is concerned about local control. He asked how the communities managed their existing staff when they enter into an agreement with RITA. He stated that the City takes a different approach about providing good customer service that can be controlled here at the local level.

Mr. Thunberg explained that there is no affiliation between RITA and the State of Ohio. He stated that the City has total control over the level of services they would provide.

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Financial Planning Committee Minutes  
June 6, 2022  
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Mr. Suer thanked Mr. Thunberg and Ms. Veazey for their presentation.

### **May 2022 Income Tax Report**

Ms. Smiddy explained that for the month of May, the City's total income tax receipts were \$762,257, which is a decrease of \$525,835 or (40.82)% when compared to the 2021 May collections of \$1,288,092. The variance is due to the extended filing deadline in 2021. The decrease was anticipated as collections were up 85.21% in April.

Ms. Smiddy stated that the month of May 2022 withholding collections were \$612,765; a decrease of \$115,048 or (15.81)% when compared to May 2021 collections of \$727,813. Reports showed a decrease in revenue from several of our larger employers; possibly due to changes in withholding for work-from-home employees. In addition, one of our larger employers failed to remit a significant withholding payment in May which staff is investigating. Despite the decrease in May, year-to-date collections are up 15.98%.

In May 2022, net profits from businesses located within or doing business within Montgomery were \$22,090. This is a decrease of \$41,913 or (65.49)% when compared to May 2021 collections of \$64,003. The majority of the business returns were posted in April, and very few were posted in May as staff is focusing on finishing individual returns. However, year-to-date business collections are up 89.74%.

Revenues of \$127,402 were collected in May 2022 from residents living in Montgomery, which is a decrease of \$368,874 or (74.33)% when compared to May 2021 collections of \$496,276. The decrease in May is due to the April filing deadline; and the majority of returns, extensions, and first quarter estimated taxes were posted in the system prior to the end of last month. Year-to-date Individual collections remain up at 13.37%.

### **Minutes**

Mr. Cappel moved to accept the minutes of the May 2, 2022 meeting of the Financial Planning Committee as written. 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 5:45 p.m.

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Chair