


April 29, 2022

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

From: Brian K. Riblet, City Manager 

Subject: Financial Planning Committee Meeting May 2, 2022

As a reminder, the Financial Planning Committee is scheduled to meet on Monday, May 2 at 4:30 p.m. at City Hall. The agenda for this meeting is as follows:

1. Cyber Security Protocol - Matthew Vanderhorst, Community and Information Services Director will be at the meeting to discuss the cities cyber security protocol with the Committee.
2. April 2022 Income Tax Report - The Income Tax Report for the month of April will be presented at the meeting for the Committee's review. Staff will be prepared to answer any questions on this report at Monday's meeting.
3. Review of the 1st Half Real Estate Settlement - The first Half Real Estate Settlement Report is attached and will be presented by Katie Smiddy, Finance Director, at the meeting. Staff will be prepared to answer any questions on this report at Monday's meeting.
4. 2023 Tax Budget - A component of the preparation work for the 2023 annual operating and capital budget is the preparation and submission of the City's 2023 Tax Budget for City Council approval. In accordance with the Ohio Revised Code, it is necessary for City Council to pass a resolution approving the tax budget for the fiscal year beginning January 1, 2023 for submission to the Hamilton County Auditor. Failure to pass a tax budget before July 15th and submit a tax budget to the County Auditor before July 20th of each year can jeopardize the City's share of Local Government and Local Government Assistance Funds. It is recommended that City Council hold a Public Hearing on June 22, 2022 on the 2023 Tax Budget prior to consideration of its passage on July 6, 2022.
5. 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 April 4, 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)
Katie Smiddy, Finance Director
Connie Gaylor, Administrative Coordinator
File

AGENDA

May 2, 2022
4:30 P.M.
City Hall

1. Call to Order
2. Guests and Residents
3. Communications
4. New Business
 - a. Cyber Security Protocol
 - b. April 2022 Income Tax Report
 - c. Review of 1st Half Real Estate Settlement
 - d. 2023 Tax Budget
5. Approval of Minutes: April 4, 2022
6. Other Business
7. Adjournment

April 29, 2022

TO: Brian Riblet, City Manager
FROM: Katie M. Smiddy, Finance Director
SUBJECT: 2023 Tax Budget



REQUEST

In accordance with ORC Section 5705.28, each taxing authority must pass a resolution adopting a tax budget prior to July 15th and submit such tax budget to the County Auditor. It is necessary for City Council to consider a Resolution approving the Tax Budget for the fiscal year beginning January 1, 2023, and submit the said tax budget to the Hamilton County Auditor.

FINANCIAL IMPACT

Failure to pass a Tax Budget before July 15 and submit a Tax Budget to the County Auditor before July 20 of each year may jeopardize the City's share of the Local Government Fund.

BACKGROUND

The Tax Budget requires the City to estimate revenues and expenditures for funds which derive revenues from real and personal property taxes.

The City of Montgomery has two (2) funds which derive money from property taxes: the General Fund and Fire Levy Fund. Detailed schedules for these funds have been included in the 2022 tax budget.

Assessed Valuation:

It is estimated that the total assessed valuation for the year 2022 collected in 2023 for the City of Montgomery is estimated to be \$662 million. This is an estimated .15% increase property values from the assessed valuation for tax year 2020 of \$661 million.

General Fund:

The General Fund collects 4.5 mills (3 mills inside, 1.5 mills outside) on real property. It is estimated that \$2,335,984 will be collected in property taxes in 2023 for the General Fund; this is an increase of 1% over the 2022 anticipated collections.

Income tax collections in the General Fund are estimated to be \$8,080,000 of the total income tax collection of \$10.6 million estimated for 2023; the assumption is that total income tax revenues are estimated to increase 1% over

the amount collected in 2022. The amount of income tax revenues allocated to the General Fund is 75% in 2022. It is estimated that the General Fund will have a cash balance of approximately \$12.1 million at the end of fiscal year 2023.

Other General Fund revenues are estimated to remain relatively flat due to the economy. Total revenues of the General Fund for 2023 are estimated at \$12,161,468 as compared to \$11,583,659 estimated for 2022. This is an increase of \$1,426,492 or approximately 5% which is attributed to the estimated increase in income and property tax revenues.

Expenditures of the General Fund are estimated to be \$12,982,352 in 2023, as compared to \$17,021,739 in 2022. This is a decrease of \$4,039,387 which can be attributed to decreased allocations to capital outlay.

Transfers from the General Fund programmed for 2022 and estimated for 2023 are as follows:

Line Item	2022	2023
School Resource Officer	\$66,500	\$66,550
Environmental Impact Tax	\$21,000	\$21,000
Street Maintenance & Repair	\$900,000	\$900,000
Municipal Pool	\$15,000	\$15,000
480	\$4,000,000	\$0
Total	\$5,002,550	\$1,002,550

Fire Levy Fund:

The Fire Fund consists of two permanent levies with no expiration date. The 5.55 mill levy was passed in 1999 and a 6.0 mill levy was approved by the voters in May of 2018. Total revenues in the Fire Levy Fund are estimated to be \$5,730,000 in 2023 keeping estimated revenues at 2022 levels.

Total expenditures for the 2023 Fire Levy Fund are estimated at \$5,709,867 as compared to \$4,223,056 estimated for 2022. This is an increase of \$1,486,811.

The estimated ending cash balance for the Fire Levy Fund for 2023 is \$13,542,485. This is \$20,436 higher than the estimated 2022 ending cash balance. This is an operating reserve of 27 months, which meets the City's fund balance reserve policy of 6 to 12 months.

Other Operating Funds:

The other operating funds addressed in the 2022 Tax Budget are estimated to be continuations of current budget spending levels with adjustments made for healthcare and personnel costs by labor contracts.

Capital Projects Spending:

Capital spending is projected at \$3,205,100 being spent on permanent improvements. These projects were taken from the 2022-2026 Capital Improvement Program and are projects which were reviewed and approved by Council on an individual basis. The presentation of these projects in this Tax Budget is intended to indicate a level of spending for capital outlay.

Debt Service:

A schedule of Outstanding Debt is presented in the 2023 Tax Budget. It is estimated that the City will have approximately \$63.5 million outstanding in debt as of January 1, 2023, for Special and General Obligation debt. Debt service payments for this debt in 2023 will be \$1,025,000 for principal repayment and \$1,847,801 for interest expense.

STAFF RECOMMENDATION

It is recommended that City Council hold a Public Hearing on the Tax Budget on June 22, 2022, to enable staff to report on the 2023 Tax Budget to City Council and members of the public.

It is recommended that City Council place this Resolution on the July 6, 2022, Business agenda for consideration that evening.

To the County Auditor of said County:

Signed

Katie M. Smiddy, Director of Finance

SCHEDULE A

**SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION,
AND COUNTY AUDITOR'S ESTIMATED RATES**

[illegible]

FIDUCIARY FUNDS					
TOTAL ALL FUNDS	7,600,372				

LEVIES OUTSIDE 10 MILL LIMITATION, EXCLUSIVE OF DEBT LEVIES

FUND	Maximum Rate Authorized to be Levied	Tax Year County Auditor's Estimate of Yield (Carry to Sch A, Col 3)
GENERAL FUND:		
Current Expense Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
Current Expense Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
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Current Expense Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
TOTAL GENERAL FUND OUTSIDE 10 MILL LIMITATION		
SPECIAL LEVY FUNDS:		
Fund, Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
Fund, Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
Fund, Levy authorized by voters on not to exceed years. Authorized under Sect. ,R.C.		
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not to exceed years. Authorized under Sect. ,R.C.		
Fund, Levy authorized by voters on		
not to exceed years. Authorized under Sect. ,R.C.		
Fund, Levy authorized by voters on		
not to exceed years. Authorized under Sect. ,R.C.		

FUND NAME: GENERAL FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2020 Actual	2021 Actual	Current Year Estimated for 2022	Budget Year Estimated for 2023
REVENUES				
Local Taxes				
General Property Taxes-Real Estate	2,371,584	2,608,250	2,312,884	2,335,984
Tangible Personal Property Taxes	-	-	-	-
Municipal Income Taxes	8,116,708	8,668,707	8,000,000	8,080,000
Other Local Taxes	-	-	-	-
Total Local Taxes	10,488,292	11,276,957	10,312,884	10,415,984
Intergovernmental Revenues				
Local Government- State	39,579	47,986	40,000	40,000
Local Government- County	129,491	163,286	125,000	125,000
Estate Tax	-	-	-	-
Cigarette Tax	150	188	100	100
Liquor Tax	3,814	21,153	20,000	20,000
Property Tax Allocation (homestead rollback)	289,029	318,898	300,000	300,000
Other State Shared Taxes and Permits	-	-	-	-
Total State Shared Taxes and Permits	462,063	551,511	485,100	485,100
Federal Grants or Aid				
State Grants or Aid			-	-
Other Grants or Aid	5,827	83,300	2,000	2,000
Total Intergovernmental Revenues	467,890	634,811	487,100	487,100
Interest Income	114,821	77,271	60,000	63,000
Special Assessments	-		-	-
Building and Construction Permits	298,236	804,244	250,000	250,000
Charges for Services	286,089	353,028	342,050	347,050
Fines, Licenses and Permits	81,766	85,787	81,525	81,525
Miscellaneous Revenues	586,151	125,147	49,600	55,230
Other Financing Sources:				
Lease Payments			-	-
Transfers	930	214,641	500	461,579
Reimbursements			-	-
Other Sources			-	-
TOTAL REVENUES	12,324,175	13,571,886	11,583,659	12,161,468

FUND NAME: GENERAL FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2020 Actual	2021 Actual	Current Year Estimated for 2022	Budget Year Estimated for 2023
EXPENDITURES				
Security of Persons and Property				
Personal Services and Benefits	3,195,184	3,398,295	3,735,755	3,735,571
Travel Transportation	19,019	23,114	30,500	30,500
Contractual Services	272,270	110,415	286,009	313,500
Supplies and Materials	76,193	65,634	109,241	112,308
Capital Outlay	31,425	127,352	102,572	140,350
Total Security of Persons and Property	3,594,090	3,724,810	4,264,077	4,332,229
Public Health Services				
Personal Services and Benefits	-	-	-	-
Travel Transportation	-	-	-	-
Contractual Services	-	-	-	-
Supplies and Materials	58,050	57,152	58,250	59,000
Capital Outlay	-	-	-	-
Total Public Health Services	58,050	57,152	58,250	59,000
Leisure Time Activities				
Personal Services and Benefits	543,907	562,276	644,340	664,830
Travel Transportation	1,705	2,093	11,000	11,000
Contractual Services	303,591	318,704	472,413	434,060
Supplies and Materials	146,855	102,769	266,059	173,261
Capital Outlay	64,281	54,983	69,000	78,000
Total Leisure Time Activities	1,060,339	1,040,825	1,462,812	1,361,151
Community Environment				
Personal Services and Benefits	222,647	242,565	426,191	404,573
Travel Transportation	2,668	2,809	9,700	9,700
Contractual Services	376,741	732,536	535,900	549,502
Supplies and Materials	13,755	15,634	11,550	25,050
Capital Outlay	4,179	85,746	-	12,900
Total Community Environment	619,991	1,079,290	983,341	1,001,725
Basic Utility Services				
Personal Services and Benefits	-	-	-	-
Travel Transportation	-	-	-	-
Contractual Services (solid waste)	682,106	683,307	700,000	701,325
Supplies and Materials	-	-	-	-
Capital Outlay	-	-	-	-
Total Basis Utility Services	682,106	683,307	700,000	701,325

FUND NAME: GENERAL FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-GENERAL

DESCRIPTION	2020 Actual	2021 Actual	Current Year Estimated for 2022	Budget Year Estimated for 2023
Public Works				
Personal Services and Benefits	546,943	585,212	611,527	637,799
Travel Transportation	410	886	8,500	8,500
Contractual Services	101,579	108,718	131,400	134,500
Supplies and Materials	10,305	13,704	14,000	14,200
Capital Outlay	16,095	20,390	49,800	4,100
Total Public Works	675,332	728,910	815,227	799,099
General Government				
Personal Services and Benefits	1,693,257	1,734,000	1,907,066	1,827,273
Travel Transportation	53,200	45,241	107,300	144,300
Contractual Services	1,234,856	1,324,000	1,648,866	1,683,750
Supplies and Materials	86,768	35,900	61,450	62,150
Capital Outlay	17,998	9,541	10,800	7,800
Total General Government	3,086,080	3,148,682	3,735,482	3,725,273
Total General Fd Before Other Uses	9,775,988	10,462,976	12,019,189	11,979,802
Debt Service				
Redemption of Principal				
Interest				
Total Debt Service				
Other Uses of Funds				
Transfers				
to Street Maintenance Fund	900,000	900,000	900,000	900,000
to Municipal Pool	15,000	15,000	15,000	15,000
to Downtown Improvement Fund	-	-	4,000,000	-
to General Bond Retirement	-	-	-	-
to School Resource Officer Fund	120,000	64,400	66,550	66,550
to Environmental Impact	24,000	22,500	21,000	21,000
Total Other Uses of Funds	1,059,000	1,001,900	5,002,550	1,002,550
Advances Out				
TOTAL EXPENDITURES	10,834,988	11,464,876	17,021,739	12,982,352
Revenues over/(under) Expenditures	1,489,187	2,107,009	(5,438,080)	(820,884)
Beginning Unencumbered Balance	14,701,306	16,242,584	18,349,593	12,911,513
Ending Cash Balance	16,242,584	18,349,593	12,911,513	12,090,629
Estimated Encumbrances (outstanding at year end)	61,798	124,432	300,000	300,000
Estimated Ending Unencumbered Fund Balance	16,180,786	18,225,161	12,611,513	11,790,629

FUND NAME: FIRE LEVY FUND

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-SPECIAL REVENUE FUND

DESCRIPTION	2020 Actual	2021 Actual	Current Year Estimated for 2022	Budget Year Estimated for 2023
REVENUES				
Real Estate				
Real Estate Property Tax	5,444,002	5,428,903	5,264,388	5,264,388
Personal Property Tax	-		-	
Property Tax Allocation	242,044	236,558	230,000	230,000
Other	230,230	58,370	35,600	10,915
Interest	51,406	39,103	50,000	50,000
EMS Fees	190,813	240,582	175,000	175,000
Total Real Estate Taxes	6,158,494	6,003,516	5,754,988	5,730,303
Transfer from General Fund				
Miami Conservancy			-	-
Charter Fire Force				
Proceeds From Debt				
Charter Fire Force				
TOTAL REVENUES	6,158,494	6,003,516	5,754,988	5,730,303
EXPENDITURES				
Personal Services and Benefits	2,289,414	2,879,143	3,738,165	4,015,760
Travel Transportation	14,350	30,021	45,000	43,709
Contractual Services	255,309	235,086	311,872	338,987
Supplies and Materials	38,913	49,148	58,800	60,564
Capital Outlay	177,745	552,291	69,219	1,250,847
TOTAL EXPENDITURES	2,775,730	3,745,689	4,223,056	5,709,867
Revenues over/(under) Expenditures	3,382,764	2,257,827	1,531,932	20,436
Beginning Unencumbered Balance	6,349,526	9,732,290	11,990,117	13,522,049
Ending Cash Balance	9,732,290	11,990,117	13,522,049	13,542,485
Estimated Encumbrances (outstanding at year end)	2,364,420	463,606	400,000	400,000
Estimated Ending Unencumbered Fund Balance	7,367,870	11,526,511	13,122,049	13,142,485

475,822
27.62059030

FUND NAME:

FUND TYPE/CLASSIFICATION: GOVERNMENTAL-SPECIAL REVENUE FUND

DESCRIPTION	2019 Actual	2020 Actual	Current Year Estimated for 2021	Budget Year Estimated for 2022
REVENUES				
Local Taxes				
General Property Taxes-Real Estate				
Tangible Personal Property Taxes				
Total Local Taxes			-	-
Charges for Services				
Interest Income				
Transfers from				
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Personal Services and Benefits				
Travel Transportation			-	-
Contractual Services				-
Supplies and Materials				-
Capital Outlay				-
	-		-	-
TOTAL EXPENDITURES	-		-	-
Revenues over/(under) Expenditures	-	-	-	-
Beginning Unencumbered Balance	-	-	-	-
Ending Cash Balance	-	-	-	-
Estimated Encumbrances (outstanding at year end)	-	-	-	
Estimated Ending Unencumbered Fund Balance	-	-	-	-

STATEMENT OF PERMANENT IMPROVEMENTS


DESCRIPTION	Estimated Cost of Permanent Improvements	Amount to be Budgeted During Current Year	Name of Paying Fund
City Parks			
Montgomery Park Annex Bin Enclosure Modification	\$75,000	\$75,000	Capital Improvement Fund
Asphalt Path Repairs	\$16,000	\$16,000	Capital Improvement Fund
Pioneer Park lighting, landscaping and accessories	\$10,000	\$10,000	Capital Improvement Fund
Pfeiffer Park tennis court resurfacing	\$50,000	\$50,000	Capital Improvement Fund
Johnson Nature Preserve pedestrian bridge replacement	\$30,000	\$30,000	Capital Improvement Fund
Swaim Park walking trail addition	\$70,000	\$70,000	Capital Improvement Fund
Swaim and Terwilliger Lodges			
Building Repair and Maintenance & HVAC	\$22,000	\$22,000	Capital Improvement Fund
Replacement of Existing Swaim Lodge Facility	\$450,000	\$450,000	Capital Improvement Fund
Lodge staining/sealing deck	\$4,500	\$4,500	Capital Improvement Fund
Historical Building Operations			
Wilder Swaim House Exterior Painting	\$13,200	\$13,200	Capital Improvement Fund
Public Works Administration			
	\$0	\$0	Capital Improvement Fund
Street Maintenance and Repair			
Annual Resurfacing	\$1,100,000	\$1,100,000	Capital Improvement Fund
Asphalt Surface Treatments	\$130,000	\$130,000	Capital Improvement Fund
Crack Sealing Program	\$80,000	\$80,000	Capital Improvement Fund
Curb Repairs	\$60,000	\$60,000	Capital Improvement Fund
Contingencies	\$40,000	\$40,000	Capital Improvement Fund
Sidewalk Repairs	\$52,000	\$52,000	Capital Improvement Fund
Small Drainage Projects	\$100,000	\$100,000	Capital Improvement Fund
Repair/Replace Corrugated Metal Pipe Infrastructure	\$40,000	\$40,000	Capital Improvement Fund
Traffic Signal Improvements (North side)	\$203,000	\$203,000	Capital Improvement Fund
Traffic Signal Improvements (South side)	\$10,000	\$10,000	Capital Improvement Fund
Public Works Building Repairs/Replacements	\$16,400	\$16,400	Capital Improvement Fund
New City Logo Implementation	\$45,000	\$45,000	Capital Improvement Fund
Municipal Pool			
Bathhouse Repairs	\$3,000	\$3,000	Capital Improvement Fund
Concession Area Updates	\$1,000	\$1,000	Capital Improvement Fund
Paint, Repair Pool Facility and Structure	\$25,000	\$25,000	Capital Improvement Fund
Pool Deck	\$1,000	\$1,000	Capital Improvement Fund
Electrical Upgrade	\$15,000	\$15,000	Capital Improvement Fund
Montgomery Quarter Construction Fund			
	\$0	\$0	Tax Increment Financing
Urban Redevelopment Fund			
	\$0	\$0	Urban Redevelopment Fund
Cemetery Expendable Trust			
Asphalt Road and Curb Repairs	\$4,000	\$4,000	Capital Improvement Fund
Sealing of Asphalt Walking Paths	\$4,000	\$4,000	Capital Improvement Fund
Cemetery Columbarium Expansion Project	\$500,000	\$500,000	Capital Improvement Fund
Cemetery fence replacement	\$35,000	\$35,000	Capital Improvement Fund
TOTAL PERMANENT IMPROVEMENTS	\$3,205,100	\$3,205,100	
Break Down by Name of Paying Fund			
Capital Improvement Fund	\$3,205,100	\$3,205,100	
Tax Increment Financing	\$0	\$0	
Urban Redevelopment Fund	\$0	\$0	

Total of all Funds	\$3,205,100	\$3,205,100	
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PURPOSE OF BONDS AND NOTES	Authority for Levy Outside 10 Mill Limit	Date of Issue	Due Date	Ordinance or Resolution	Serial or Term	Rate of Interest	Amount of Bonds & Notes Outstanding Beginning of Budget Year 1-1-2023	Amount Required for Interest	Amount Required for Principal
INSIDE THE 10 MILL LIMIT									
Special Assessments									
Montgomery Woods Sidewalk- Special Assessment		09/97	12/17	97-17	S	6.00%	-	-	-
Tanager Woods 1999		12/04	12/19	99-8	S	6.00%	-	-	-
Various Purposes Refunding 2003		Various	Various	000-3	S	3.80-2.00%	-	-	-
Total							-	-	-
General Obligation Notes									
Series 2022 GO BAN (MO) estimated		6/23/2020	8/6	4-2020	S	1.50%	7,612,188	112,188	375,000
Total							7,612,188	112,188	375,000
Special Obligation Revenue Bonds									
Series 2013 Bonds/Refunding- Vintage Club		05/13	Dec-37	9/13	S	4.30%	12,514,228	833,314	550,000
Series 2018 Bonds- Vintage Club North PH II		6/18	Dec-37	5/18	S	4.50%	7,740,706	238,406	100,000
Series 2020 Bonds-MO Phase I		12/22	Dec-2050	11-2020	S	3.20%	35,664,304	663,893	-
Total							55,919,239	1,735,613	650,000
Grand Total							63,531,427	1,847,801	1,025,000

April 29, 2022

To: Brian Riblet, City Manager

From: Katie M. Smiddy, Director of Finance 

Subject: 1st Half Real Estate Settlement Report for 2022

Comparison of 2021 to 2022

The 1st half property tax collections have been received from the County Auditor and below is a tabulation of total property tax collected for 2021 compared to 2022. Total collections for 2022 of \$6,029,134 are up \$444,804 or 7.97% compared to 2021 collections of \$5,584,330. General Fund property tax collections are down (\$30,893) or 2.33%. Fire Levy collections are down (\$64,672) or 2.31% and Tax Increment Financing Districts are up \$534,825 or 39.28%.

Total Property Tax Collections for Years 2021 and 2022

1st Half Real Estate	2021	2022	Difference	%
General Fund				
Real Estate Distributions	1,367,327	1,342,721	(24,606)	-1.80%
Less Auditor Fees/Other Charges	(40,249)	(46,536)	(6,287)	15.62%
Total Net Distribution	1,327,078	1,296,185	(30,893)	-2.33%
Fire Levy Fund				
Real Estate Distributions	2,846,443	2,781,810	(64,633)	-2.27%
Less Auditor Fees/Other Charges	(41,803)	(41,843)	(40)	0.09%
Total Net Distribution	2,804,640	2,739,968	(64,672)	-2.31%
Special Assessments				
Real Estate Distributions	94,046	100,141	6,095	6.48%
Less Auditor Fees/Other Charges	(3,006)	(3,557)	(551)	18.33%
Total Net Distribution	91,040	96,584	5,544	6.09%
Tax Increment Financing Districts				
Real Estate Distributions	1,400,294	1,940,922	540,628	38.61%
Less Auditor Fees/Other Charges	(38,722)	(44,525)	(5,803)	14.99%
Total Net Distribution	1,361,572	1,896,397	534,825	39.28%
Total Net Distribution-All Funds	5,584,330	6,029,134	444,804	7.97%

Breakdown on TIF Districts

Triangle (See Note)	85,307	87,259	1,952	2.29%
Vintage (See Note)	1,276,265	1,809,138	532,873	41.75%
Total	1,361,572	1,896,397	534,825	39.28%

Note-Half of the net distributions are paid to the Sycamore School District

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
April 4, 2022

Present

Brian Riblet, City Manager
Tracy Henao, Asst. City Manager
Katie Smiddy, Finance Director
Connie Gaylor, Clerk of Council
John Crowell, Police Chief
Mike Rogers, Public Works Supervisor

Council Committee Members Present

Ken Suer, Chair
Mike Cappel
Lee Ann Bissmeyer

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

Fleet Management Program Discussion

Mr. Riblet introduced Amanda Ross and Jeremy Baldwin from Enterprise Fleet Management to the meeting.

Mr. Riblet explained that staff has been in the process of conducting a comprehensive analysis that was broken down into three different studies. He stated that the City fleet program and current vehicle replacement schedule was the last of three studies to complete.

Mr. Riblet explained that the first study was the completion of a Capital Needs Assessment Report of all city-owned building and facilities. The report assembled by American Structurepoint included a comprehensive 15-year capital improvement and estimated budgetary considerations to ensure our city facilities will be maintained in an efficient manner. The second study also involved American Structurepoint and included an analysis of current and future staffing levels and current and future space considerations within the Public Works, Safety Center, and City Hall buildings. This report will be beneficial as we work through implementation of the 2022-2026 City Strategic Plan. And the third study, as mentioned above, was to conduct a comprehensive analysis on our city fleet program and current vehicle replacement schedule, more specifically, all police cruisers, unmarked police vehicles, fire support vehicles, public works vehicles, recreation, and community development vehicles. The following is the current rotation schedule:

- | | |
|---------------------------------|------------------|
| • Public Works | 10-14-year cycle |
| • Fire Support Vehicles | 10-14-year cycle |
| • Recreation Vehicle | 12-15-year cycle |
| • Community Development Vehicle | 12-15-year cycle |
| • Unmarked Police Vehicles | 10-14-year cycle |
| • Police Cruisers | 5-7-year cycle |

He added that the police cruisers are replaced on an alternating schedule of one cruiser in one year and three cruisers in the subsequent year.

Mr. Riblet stated the City utilizes the Ohio Cooperative Purchasing Program to purchase r vehicles though the state bid process in which we can buy at a cheaper rate than through the open market.

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Mr. Riblet explained that in 2020, that along with Katie Smiddy and Chief Crowell, he engaged with representatives from Enterprise Fleet Management, Inc. to conduct a review of our current process and began discussing a different approach to managing our city fleet. Due to the fact the city can purchase vehicles through the state bid process we discovered it would be economically beneficial to replace our fleet on a more frequent basis, in most cases 3-5 years, to take advantage of maximum resale values. This approach will also result in lower fleet maintenance and repair costs that we currently experience with our older fleet. Enterprise Fleet Management, Inc. will also provide a platform to manage routine vehicle maintenance and track vehicle history in addition to managing the purchasing and resale process on the city's behalf. He added that another benefit of this approach is the image and brand of our city fleet throughout community. The city invested a significant amount of time and financial resources in a re-branding campaign and this proposed approach will ensure we have newer fleet representing the city's brand.

Mr. Riblet closed by stating that Staff requests the Financial Planning Committee of City Council consider a motion to authorize staff to continue to engage with Enterprise Fleet Management, Inc. to develop a plan to utilize the funds appropriated in the current 2022-2026 city budget to begin implementing a fleet management plan. This initial plan would not require additional funds, however, would deviate from our current practice and allow us to begin replacing multiple vehicles and utilizing current funding and equity to acquire new vehicles. Ultimately, a final agreement will be presented to full City Council for consideration and approval in the coming weeks.

Mr. Suer stated that he likes the approach of a fleet management program and felt it makes sense. He stated that a rotation as suggested would lessen impact on budgets. Mr. Suer stated that he also liked that it would provide a better handle on maintenance and replacement because of the tracking of the value and projection on when to sell the vehicles to get the best return on them.

Mr. Cappel asked the Enterprise representatives how they account for when to sell vehicles.

Mr. Baldwin explained that because of the volume of vehicles they purchase and sell they can assess trends in the economy to base their recommendations on. He explained that their model is to keep vehicles for an estimated five years. He stated that Enterprise maintains a list of sales agents who only sell vehicles nationwide. He stated that when a vehicle is recommended for sale that they usually sell 10% higher than black book values. He added that in 2022 Nissan and Ford gave government incentives and that it is forecasted that in 2023 their discounts are better based on market rates.

Mrs. Bissmeyer stated that she liked that the management of the vehicles would be under one umbrella and monitored as a package instead of by department. She stated that she also liked that it would be more reflecting of the City brand along with an improved management of funds.

Mr. Riblet explained that this program would not include large vehicles such as a 5-Ton Dump Truck or the large fire apparatus trucks. Mr. Riblet added that while it is hard for staff to predict the availability of the purchase of vehicles from dealerships, Enterprise has a greater purchasing power by purchasing direct from the manufacturer.

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Mr. Baldwin explained that Enterprise would help to supply the vehicles based on staff's specifications and to advise on the different trim models. He advised not to wait after October of a given year to order vehicles.

Ms. Ross stated that the City would not pay for a vehicle until delivery.

Mr. Riblet explained that, if approved, he would suggest ordering 2023 budgeted vehicles this year but to combine the 2022 and 2023 funds together.

Mr. Suer stated that he felt in the future there may be a push to transition to electric vehicles as the City spends collectively around \$150,000 on fuel each year.

The Committee asked Mr. Rogers and Chief Crowell what their thoughts were on this program.

Mr. Rogers stated he was in favor of it and thought it made sense to include all applicable vehicles into the program.

Chief Crowell explained that he spoke to other municipalities who were in contract with Enterprise or others who were in the process, and all provided good feedback. He stated that currently when a cruiser goes out of warranty the repair costs greatly increase due to the constant idling of the vehicle. He stated that overall, he thought this was a good idea.

Ms. Smiddy stated that she felt this recommendation would put the City in a good position to get a good return on the investment of purchasing vehicles. She stated that she felt the centralized maintenance is a plus and with Enterprise's oversight it was a win-win.

Mr. Cappel made a motion to move forward with a recommendation to City Council to support staff's recommendation to enter into an agreement with Enterprise Fleet Management. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

March 2022 Income Tax Report

Ms. Smiddy reported for the month of March, the City's total income tax receipts were \$1,074,039, which is an increase of \$266,750 or 33.04% when compared to the 2021 March collections of \$807,289. Business and withholding collections are up year-to-date while Resident revenue is down slightly, however, Staff believes the resident numbers will level out after April returns are posted.

Ms. Smiddy reported in March 2022 withholding collections were \$892,841; an increase of \$265,420 or 42.30% when compared to March 2021 collections of \$627,421. Staff believes this may be due to a greater number of residents working from home; and employers no longer withholding for the city where the company is physically located.

Ms. Smiddy reported in March 2022, net profits from businesses located within or doing business within Montgomery were \$66,619. This is an increase of \$13,608 or 25.67% when compared to

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March 2021 collections of \$53,011. Year-to-date Business revenue is up 22.07%, possibly a sign of the slowing pandemic.

Ms. Smiddy reported that revenues of \$114,578 were collected in March 2022 from residents living in Montgomery, which is a decrease of \$12,279 or (9.68)% when compared to March 2021 collections of \$126,857. Year-to-date collections on individual accounts are down in comparison to 2021 and includes total collections and the number of estimated payments. The revenue received from estimated taxes in December 2021 exceed the total amount that has been collected year-to-date 2022 by 7.8%.

Other Business

- Mr. Riblet explained that Senior Staff are working to put together a list of strategic projects that could qualify under ARPA funding. He stated that he would share that list when it is completed.
- Mr. Cappel shared that Greater Cincinnati Water Works had their software hacked and it shut down their online operations for two weeks.

Mr. Riblet shared that he planned to ask Matthew Vanderhorst to attend the next committee meeting to provide an update on the city's cyber security plan.

Minutes

Mr. Cappel moved to accept the minutes of the March 7, 2022 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 5:25 p.m.

Chair