

City of Montgomery
City Council Public Hearing Minutes
June 22, 2022

Present

Brian Riblet, City Manager
Terry Donnellon, Law Director
John Crowell, Police Chief
Gary Heitkamp, Public Works Director
Katie Smiddy, Finance Director
Matthew Vanderhorst, Community and Information Services Dir.
Paul Wright, Fire Chief
Amy Frederick, Community Engagement Coordinator
Connie Gaylor, Clerk of Council

City Council Members Present

Craig Margolis, Mayor
Vice Mayor Bissmeyer, Vice Mayor
Mike Cappel
Chris Dobrozsi
Ron Messer
Sasha Naiman
Ken Suer

City Council convened its Public Hearing for June 22, 2022 at 6:45 p.m. at City Hall with Mayor Margolis presiding.

Mayor Margolis asked for a roll call and Council members responded as in attendance.

Mayor Margolis explained that the Public Hearing was for the purpose of the presentation of the 2023 Tax Budget and asked Finance Director Katie Smiddy to make her presentation.

Mayor Margolis explained the process for the Public Hearing. He explained that in a public hearing Council has the following options when considering an application:

- Approve the Recommendation
- Deny the Recommendation
- Remand the matter to Staff for more specific information or
- Take the matter under advisement and vote at another public meeting within thirty days.

Mayor Margolis explained that if City Council chooses the final option, it is suggested that they announce the date and time of the subsequent hearing when the matter will be discussed and considered for vote.

NEW BUSINESS

2023 Tax Budget

Ms. Smiddy explained that as a part of the preparation required for the 2023 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. She stated that failure to approve and submit the Tax Budget by the required deadline could jeopardize the City's share of Local Government Funds.

Ms. Smiddy explained that currently the City has two funds which derive money from property taxes: The General Fund and the Fire Levy fund. She provided a detailed explanation of the following:

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.

58

59 Income tax collections in the General Fund are estimated to be \$8,080,000 of the total income tax collection of
60 \$10.6 million estimated for 2023; the assumption is that total income tax revenues are estimated to increase 1%
61 over the amount collected in 2022. The amount of income tax revenues allocated to the General Fund is 75% in
62 2022. It is estimated that the General Fund will have a cash balance of approximately \$12.1 million at the end of
63 fiscal year 2023.

64

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

69

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

72

73 **Fire Levy Fund:**

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

77

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

80

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

84

85 **Other Operating Funds:**

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

88

89 **Capital Projects Spending:**

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

94

95 **Debt Service:**

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

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101

102 Ms. Smiddy concluded her presentation and asked for any questions.

103

104 Mr. Dobrozsi asked when the real estate taxes would be reevaluated.

105

106 Ms. Smiddy replied in 2023.

107

108 Mr. Messer asked for confirmation that the ending cash amount meets the 12 month reserve requirement.

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110 Ms. Smiddy confirmed that it did.

111

112 Mrs. Naiman asked if there is a certain amount of debt that the City could not exceed.

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114 Ms. Smiddy replied that there was no cap or reserve as we are AAA rated.

115

116 Mayor Margolis restated that the options available to City Council related to this request were:

117

118 • Approve the Recommendation

119 • Deny the Recommendation

120 • Remand the matter to Staff for more specific information or

121 • Take the matter under advisement and vote at another public meeting within thirty days.

122 Mr. Cappel made a motion to accept the 2023 Tax Budget and to add to the July 6, 2022 agenda. Mr. Messer
123 seconded. City Council unanimously agreed.

124

125 Mayor Margolis asked if there was any further business to be heard in the Public Hearing. There being none, he
126 asked for a motion to adjourn from the Public Hearing.

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128 Mr. Cappel made a motion to adjourn. Vice Mayor Bissmeyer seconded. City Council unanimously agreed.

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130 The meeting was adjourned at 6:56 p.m.

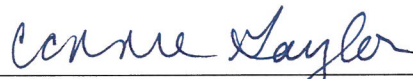
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Connie Gaylor, Clerk of Council