

City of Montgomery
Financial Planning Committee Meeting
February 6, 2023

Present

Brian Riblet, City Manager
Tracy Henao, Asst. City Manager
Chris Bigham, Interim Finance Director
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair
Mike Cappel
Lee Ann Bissmeyer

The Financial Planning Committee of Council convened its meeting for February 7, 2022 at 4:30 p.m. at City Hall with Mr. Suer presiding.

December 2022 and January 2023 Income Tax Reports

Mr. Bigham reported for the month of December, the City's total income tax receipts were \$1,036,401 which is an increase of \$167,563 or 19.29% when compared to the 2021 December collections of \$868,808. The City finished the year at 13.43% over 2021 collections.

Mr. Bigham reported in December 2022, net profits from businesses located within or doing business within Montgomery were \$376,886. This is an increase of \$332,014 or 740% when compared to December 2021 collections of \$44,872. A large, estimated tax payment was remitted by one of our Montgomery businesses which accounts for the majority of the increase.

Mr. Bigham reported revenues of \$78,110 were collected in December 2022 from residents living in Montgomery, which is a decrease of \$191,696 or (71%) when compared to December 2021 collections of \$269,806. The variance is attributed to several large tax payments that were remitted in December of 2021. Individual revenue is up by 2% for the year.

Mr. Bigham reported that December 2022 withholding collections were \$581,406; an increase of \$27,276 or 4.9% when compared to December 2021 collections of \$554,130. We finished the year 8.83% over 2021 collections.

Mr. Bigham reported for the month of January, the City's total income tax receipts were \$1,153,187 which is a decrease of \$97,510 or (7.8%) when compared to the 2022 January collections of \$1,250,697.

Mr. Bigham reported in January 2023, net profits from businesses located within or doing business within Montgomery were \$24,107. This is a decrease of \$1,223 or 4.8% when compared to January 2022 collections of \$25,330. This is only a slight decrease and will be monitored monthly.

Mr. Bigham reported revenues of \$188,553 were collected in January 2023 from residents living in Montgomery, which is an increase of \$37,286 or 24.7% when compared to January 2022 collections of \$151,267. The variance is attributed to a large, estimated payment remitted by one individual.

Mr. Bigham reported January 2023 withholding collections were \$940,527; a decrease of \$133,573 or (12.4%) when compared to January 2022 collections of \$1,074,100. Withholdings collected in January of 2022 were higher than a typical January collection month. January 2023 is trending towards a normal collection month which results in a negative variance when compared to the prior year. Total collections are still trending positive when compared to the monthly estimate.

Financial Statements for the Community Improvement Corporation

Mr. Bigham reported to the Committee that the 2022 Financial Statements and Corporation Tax Return for the Montgomery Community Improvement Corporation (CIC) have been completed and reviewed. Mr. Bigham explained the following:

- The **Statement of Net Position** reflects that the corporation had assets net of liabilities of \$2,102,685.34 as of December 31, 2022.
- The **Statement of Financial Activities** reflects Grants Received of \$175,000, Interest Income of \$0, Grants Awarded of \$89,794 and Professional Fees expensed in the amount of \$36,000 for the year ended December 31, 2022.
- The **Statement of Cash Flow** reflects the corporation increased its cash position from \$2,056,479.45 to \$2,123,757.45 as a result of Grants Received. Funds are in a demand deposit account at Fifth Third Bank.

Mr. Bigham stated that the Corporation's tax return would be on the agenda for a CIC meeting anticipated to be held March 1, 2023.

Mr. Cappel made a motion to accept the 2022 financial statements for the Montgomery Improvement Corporation. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Review of 2022 Revenues and Expenditures

Mr. Bigham reported on the revenue and expenditure variances for the year ending December 31, 2022. The following points were discussed:

- The General Fund year-end balance closed at \$15,997,304. The FY 2023 Budget has an estimated beginning balance of \$14.2 million so the actual beginning balance for FY 2023 is about \$1.8 million higher than the estimate.
- General Fund Revenues are up \$3.2 million over the estimate including \$1.1 million for a transfer in. The true positive variance is about \$2.1 million after excluding the transfer in amount. Income taxes are \$1.2 million over the estimate, property taxes are up \$236K, permit fees are up \$175K and miscellaneous revenue is up \$333K, primarily is due to interest income.
- General Fund Expenditures include transfers out and the year ended with \$1.25 million in appropriation savings. All departments were within their appropriation and most appropriation savings is due to vacant positions in departments and savings in contractual services for Community Development.
- The All-Funds Statement of Revenues, Expenditures and Fund Balance Report, which includes the General Fund, shows a year end fund balance of \$46.7 million, a decrease of \$8.2 million from the beginning of the year primarily due to the planned spending in various capital projects including general capital projects and the Montgomery Quarter fund. The City's investment policy calls for the return on the entire portfolio to meet the rate on a six month Treasury bill. STAR's interest rates began at .10% in January and ended at 0.09% in December. The six-month T-Bill's comparable rates were .09% and 0.19%, respectively. Keep in mind, the City's investment policy's "foremost objective" is the preservation of capital. All City investments are backed by the credit of the federal government, FDIC, pooled collateral by depository banks or in the case of StarOHIO carry a Standard & Poor's highest credit rating of AAA.

Other Business

Mr. Bigham provided an update on the 2022 audit process as well as the beginning of the Annual Comprehensive Financial Report (ACFR).

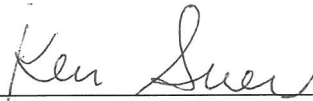
Minutes

Mr. Cappel moved to accept the minutes of the December 5, 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 5:01 p.m.



Chair