

City of Montgomery
City Council Public Hearing Minutes
June 21, 2023

Present

Brian Riblet, City Manager
Terry Donnellon, Law Director
Tracy Henao, Asst. City Manager
Gary Heitkamp, Public Works Director
Maura Gray, Finance Director
John Crowell, Police Chief
Paul Wright, Fire Chief
Matthew Vanderhorst, Community and Information Serv. Dir.
Amy Frederick, Community Engagement Coordinator
Connie Gaylor, Clerk of Council
Wendy Grethel, Customer Support and Volunteer Specialist

City Council Members Present

Craig Margolis, Mayor
Lee Ann Bissmeyer, Vice Mayor
Mike Cappel
Chris Dobrozsi
Sasha Naiman
Ken Suer

City Council Members Absent

Ron Messer

City Council convened its Public Hearing for June 21, 2023 at 6:00 p.m. at City Hall with Mayor Margolis presiding.

Mayor Margolis requested a roll call.

The roll was called with Mr. Messer being absent. Mr. Cappel moved to excuse Mr. Messer's absence. Vice Mayor Bissmeyer seconded. City Council unanimously agreed.

Mayor Margolis explained that the Public Hearing was to hear a presentation on the 2024 Tax Budget and asked Finance Director Maura Gray 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

2024 Tax Budget

Ms. Gray explained that as a part of the preparation required for the 2024 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 to 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. Gray explained that the Tax Budget requires the City to estimate revenues and expenditures for funds which derive revenues from real and personal property taxes. There are many variables affecting the 2024 Tax Budget. This is a biennium Budget year for the State and the passage of the new State Budget on July 1 could affect both property tax and income tax projections.

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 2024 Tax Budget.

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Assessed Valuation:

The total assessed valuation for the year 2022 collected in 2023 for the City of Montgomery is estimated to be \$659 million. It is important to note that 2023 is a six-year revaluation year. At the time of our Tax Budget, property valuations have not been released for 2023 to be collected in 2024, however, it is anticipated that significant property improvements will be included in the 2023 valuation.

General Fund:

The General Fund collects 4.5 mills (3 mills inside, 1.5 mills outside) on real property. It is estimated that \$2,300,000 will be collected in property taxes in 2023 for the General Fund; it is expected that this number will increase in 2024.

Income tax collections in the General Fund are estimated to be \$8.4 million of the total income tax collection of \$11.2 million estimated. It is anticipated that City Council will pass an Ordinance at the June 7 Business Session authorizing the City to enter into an agreement with RITA to administer tax collections on behalf of the City. Income Tax collections are trending higher than originally projected for 2023. This increase in collections will absorb the one month of Rita tax collections held in arrears. No budgetary adjustments should be necessary for 2023. The 2024 tax collections are estimated at \$12 million. The General Fund allocation of 2024 revenue is 9 million. It is estimated that the General Fund will have a cash balance of approximately \$16.3 million at the end of fiscal year 2024.

Other General Fund revenues are estimated to remain relatively flat. Total revenues of the General Fund for 2024 are estimated at \$12,980,287 as compared to \$13,761,775 estimated for 2023. It is also important to note that the 2023 Revenues include \$600,000 in reimbursable grant funding received in the General Fund.

Expenditures of the General Fund are estimated to be \$ 13,396,487 in 2024, as compared to \$13,227,605 in 2023.

Transfers from the General Fund programmed for 2023 and estimated for 2024 are as follows:

Line Item	2023	2024
School Resource Officer	\$21,550	\$21,550
Environmental Impact Tax	\$21,000	\$21,000
Street Maintenance & Repair	\$500,000	\$500,000
Municipal Pool	\$0	\$0
Capital Improvement	\$350,000	\$0
Total	\$892,550	\$542,550

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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 \$5,829,000 in 2024 keeping estimated revenues at 2023 levels.

Total expenditures for the 2024 Fire Levy Fund are estimated at \$4,884,138 as compared to \$6,205,992 estimated for 2023. The decrease in 2024 is due to the Quint Fire vehicle expenditure in 2023.

102 The estimated ending cash balance for the Fire Levy Fund for 2024 is \$14,461,412. This is \$994,862
103 higher than the estimated 2023 ending cash balance. This balance exceeds the City's fund balance reserve
104 policy of 6 to 12 months.

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106 Other Operating Funds:

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108 The other operating funds addressed in the 2024 Tax Budget are estimated to be continuations of current
109 budget spending levels with adjustments made for healthcare and personnel costs by labor contracts.

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111 Capital Projects Spending:

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113 Capital spending is projected at \$4,620,085 being spent on permanent improvements. These projects were
114 taken from the 2022-2026 Capital Improvement Program and are projects which were reviewed and
115 approved by Council on an individual basis. The presentation of these projects in this Tax Budget is
116 intended to indicate an estimated level of spending for capital outlay.

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118 Debt Service:

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120 A schedule of Outstanding Debt is presented in the 2024 Tax Budget. It is estimated that the City will
121 have approximately \$62.6 million of outstanding debt as of January 1, 2024, for Special and General
122 Obligation debt. Debt service payments for this debt in 2024 will be \$1,025,000 for principal repayment
123 and \$1,847,801 for interest expense.

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125 Ms. Gray concluded her presentation and asked for any questions.

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127 Mr. Dobrozsi asked if evaluations were based on the assessed value.

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129 Ms. Gray replied that they were and anticipates a considerable increase as the assessments will be performed as
130 physical assessments of each property.

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

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- 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.
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139 Mr. Cappel made a motion to accept the 2024 Tax Budget and to add to the July 5, 2023 agenda. Vice Mayor
140 Bissmeyer seconded. City Council unanimously agreed.

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

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

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147 The meeting was adjourned at 6:10 p.m.

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Connie Gaylor, Clerk of Council