



City of Pataskala Finance Department

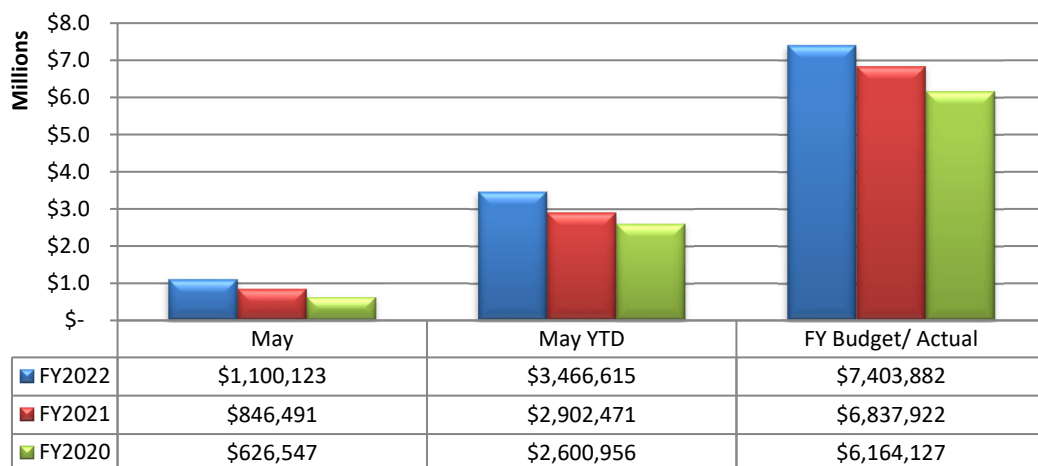
James M. Nicholson, Finance Director

Finance Director's Report to Council

Current Projects & Issues

- **May 2022** – We are still processing entries for the month of May and will be doing so for the next few days. However, I would anticipate closing the month by the end of the week. I plan to have the monthly financial report prepared and distributed with the next Finance Director's Report to Council. At this point in time, however, I can update Council on the preliminary status of May income tax collections.
 - **Income Tax Revenue** - Collections for the month of May were \$1,100,123 and are \$253.6 thousand (29.96%) higher than the May 2021 collections. This amount equates to 14.86% of the full-year budget, well above the 8.33% straight-line rate if revenues were to be collected evenly throughout the year. In 2021 this rate was 12.38%, and it was 10.16% in 2020. On a year to-date basis, we have collected a total of \$3,466,615 in income tax revenues which is equal to 46.82% of budget. This is \$564.1 thousand (19.44%) higher than the same 5-month period in 2021 and is slightly below the 41.67% straight-line rate if revenues were to be collected evenly throughout the year. In 2021, the May year to-date collections amount equaled 42.45% of full-year collections, and the rate was 42.20% in 2020. Based upon collections to-date, we will be increasing the 2022 forecast by between \$500-600,00.

Income Tax Collections - All Funds



- **2021 Financial Reporting & Audit** –The 2021 financial statements have been filed with the Auditor of State's Hinkle system - well in advance of the May 31st deadline. The auditors are currently completing their audit process with a thorough review of the financial statements and the ACFR. Once the auditors have issued their formal audit opinion, we'll publish the 2021 Annual Comprehensive Financial Report (formerly CAFR) on the city's website.

- **Payroll/Human Resources System Replacement** – We’re still going through the legal review of the contract with HR Butler to provide payroll and time/attendance services. We just have a couple of small items to resolve. Given that, we’ll begin the transition planning process with a planned October 14 cutover date.
- **Employee Handbook Update** – The City Administrator and I have been working with Clemans Nelson to review and update the employee handbook as appropriate. Some of this is cleaning up grammar and format, while others are related to changes in state and Federal laws and regulations. We recently had an excellent meeting with the directors and the Assistant Finance Director/Payroll Manager to ensure that any unclear or contradictory policies are addressed. They made several suggestions for improvement that will be incorporated into the final product. Once that review process is complete, we’ll bring the final document and the appropriate legislation to Council for approval.
- **2023 Budget** – The worksheets and instructions for the 2023-2027 Capital Improvement Program (CIP) were distributed to the departments so that they can begin the planning process. I have begun updating the operating budget/salary planning templates for the budget period. This updating will also include adding any proposed staffing increases (if any) in staffing to the salary planning template.
- **RITA Collection Cost Rebate** – RITA assesses the city a fee equal to 3.0% of collections each month as an estimated cost of collections (e.g., retainer). Once the calendar year has been completed, the agency calculates its’ actual cost of collection by entity. As you might imagine, the effort expended to collect each dollar of tax revenue by entity varies and depends upon the number of returns filed, as well as the total dollars collected. In Pataskala’s case, the 2021 actual cost of collections was equal to 2.20% of total collections or \$148,222. Because this was less than the 3.0% retainer, it resulted in a refund of approximately \$50,261 back to the city which was allocated to the four funds (Street, Police, Capital Improvements and Debt Service) based upon the 2021 distribution rates.
- **GFOA Conference** – Please know that I will be attending the national GFOA annual conference in Austin, Texas from June 3-8 and will not be present for the June 6th Council meeting. However, I will be accessible by email or phone if needed. During my absence, either Ann or Shellie should be able to assist you with any time-sensitive issues.

May 26, 2022

PATASKALA
621 WEST BROAD STREET SW
SUITE 1D
PATASKALA, OH 43062-0000

Attn: James Nicholson, Finance Director/Tax Admin.

Allocation of 2021 Costs for Income Tax Collection Municipality of PATASKALA

In accordance with the Regional Council of Governments' Participation Agreement, the allocation of 2021 costs for income tax collections has been computed.

Municipality	2021 Cost of Collections	Administrative Costs*
PATASKALA	2.20%	\$2.20

*For every \$100 of taxes collected for your municipality, only \$2.20 went to the administrative cost of collections, registration, auditing, compliance, record retention, etc., leaving the balance for your fire, police, street repairs, recreational expenses and other community expenditures.

The cost of your tax services is detailed on the following page. The retainer refund will be deposited to your account on May 31, 2022.

	2021 Collections	Allocated Cost	% Cost of Collections
PATASKALA Summary	\$6,749,382	\$148,222	2.20%

RITA continues to strive to meet Agency goals and to uphold our mission to provide "high quality, cost effective municipal services". Enhancing our processes and implementing new services are just two ways we work to further benefit our members.

Thank you for your continued support of the Agency. If you have any questions please feel free to contact Member Services at (866) 252-0913.

Sincerely,



Donald W. Smith, CPA
Executive Director

Cost of Tax Services Municipality of PATASKALA

Total 2021 Retainer	\$198,484
2021 Total Agency Transaction Count	16,661,020
Your 2021 Transaction Count	135,856
Percentage Factor Transactions	0.8154%
2021 Total Agency Collections	\$1,913,441,186
Your 2021 Collections	\$6,749,382
Percentage Factor Collections	0.3527%
Average of Two Factors x 2021 Net Overhead Costs =	\$148,222
Prorated Share of Overhead (0.5841%x \$25,377,333)	
Refund Amount	\$50,261

NOTE: ALL AMOUNTS ARE ROUNDED TO THE NEAREST DOLLAR