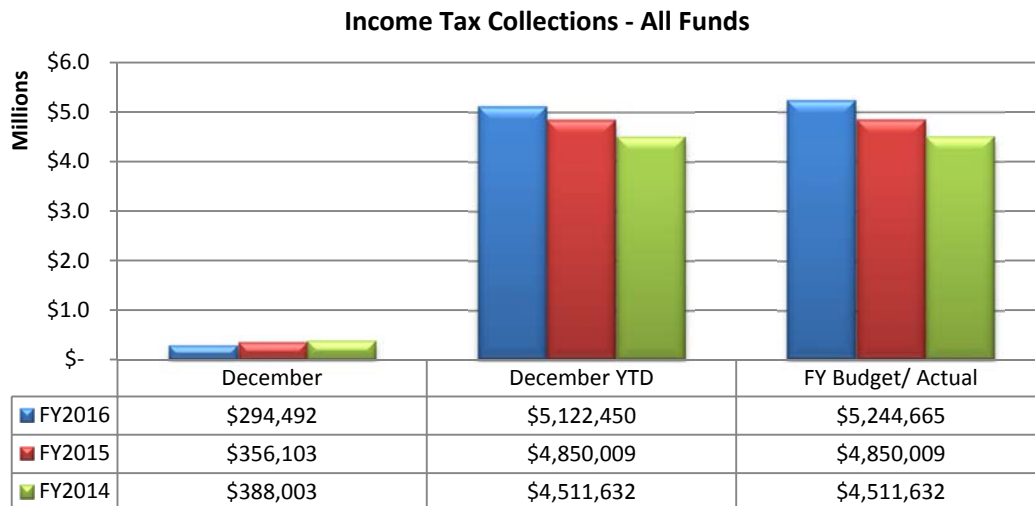




**City of Pataskala Finance Department**  
**James M. Nicholson, Finance Director**  
*Finance Director's Report to Council*

**Current Projects & Issues**

- **December 2016** - We are in the process of closing the books for the month of December. I would anticipate closing the month within 10 days after the New Year's holiday, and plan to have the monthly financial report prepared and distributed shortly thereafter. At this point in time, however, I am able to update Council on the status of December's income tax collections.
  - **Income Tax Revenue** - Collections for the month of December were \$294,492 and are \$61,611 (17.3%) lower than the December 2015 collections. On a year to-date basis, however, total collections are \$5,122,450 and are \$272,441 (5.62%) higher than last year. When comparing our year over year increase to other comparable RITA communities, we are experiencing a somewhat higher rate of increase than those other communities combined. The average 2015-2016 increase for all 217 communities (including Pataskala) ended the year at 4.3%, while ours was approximately 6.1%.



- **2017 Budget** – The revenue and expenditure budgets have now been loaded into the accounting system, so that operations will be able to continue smoothly into 2017. Over the course of the several January Council meetings, department heads will be submitting requests to Council seeking approval of their respective capital projects.
- **Collective Bargaining** – We recently held follow-up negotiating sessions with the FOP and OPBA to discuss contract provisions. Additional sessions with both bargaining units have been scheduled for the latter half of January to address currently outstanding contract issues. Unfortunately, we have not yet been able to set a date yet for our initial meeting with the USW.

- **Police Station Construction Funding** – I have been working with the city’s bond counsel, Dennis Schwallie (Dinsmore & Shohl), to begin preparations for the 2017 bond issuance for construction funding for a new Police station. In addition to obtaining the required construction funding, we will also be rolling over the \$500,000 note that was issued in 2016 for architectural design services, and the costs of issuance (e.g., underwriter, bond counsel, financial advisor, etc.). Our current plan is to present the debt legislation to Council for a 1<sup>st</sup> reading at the January 17<sup>th</sup> Council meeting, with the ordinance going through all 3 readings and 30-day referendum period. That timetable would enable us to go to the market and price the issue by the end of March, 2017. We are currently evaluating two different approaches to the debt issuance. The first approach considers the usual general obligation (GO) bond issuance. This approach would have higher costs of issuance, including (but not limited to the following): underwriter commission; the development of a formal offering statement; and the requirement of an updated underlying rating from Moody’s. The alternative approach being considered would involve a private placement of the debt. This approach would have significantly lower costs of issuance, although the coupon rate is typically higher for a private placement versus GO debt. The decision will ultimately rest upon the yield curves in effect at the time, and the total issuance costs. Whichever approach leads to the lowest overall cost to the city will be the selected option.
  
- **River Forest Lift Station Improvements** – On December 14, we held a bid opening for the River Forest lift station improvements project. We received a total of six (6) proposals, which ranged from a low of \$189,850 to a high of \$290,569. The engineer’s estimate for the project was \$200,000, and the apparent low bid was from Elite Excavating in the amount of \$189,850 - \$10,150 or 5.08% below the engineer’s estimate.