

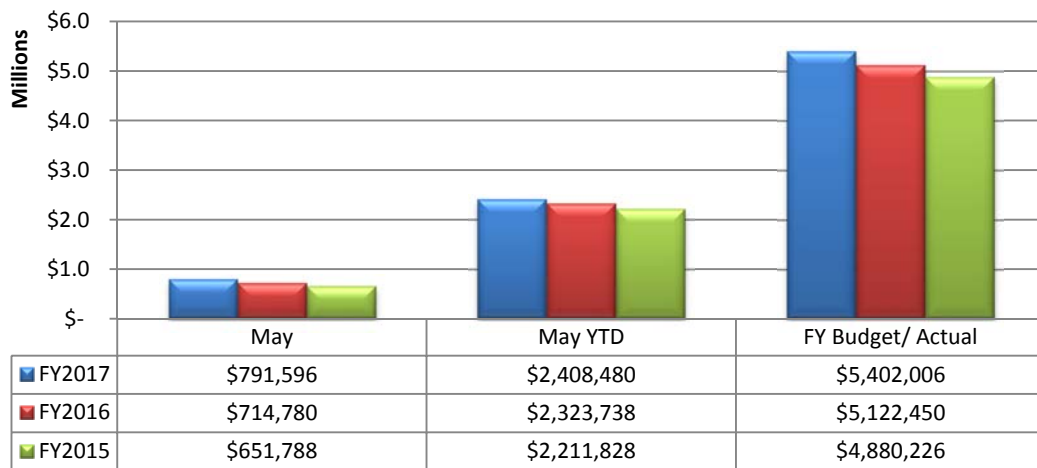


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **May 2017** – Although we are still posting entries for the month of May, I would anticipate closing the month by early-next 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 am able to update Council on the status of May's income tax collections.
 - **Income Tax Revenue** - Collections for the month of May were \$791,596 and are \$76,816 (10.75%) higher than May 2016 collections. On a year to-date basis, total collections are \$2,408,480 and are \$84,742 (3.65%) higher than last year. This amount equates to 44.58% of the full-year budget, above the 41.67% straight-line rate if revenues were collected evenly throughout the year. In 2016, the May year to-date collections amount equated to 45.36% of full-year collections, and the rate was 45.32% in 2015. Although it is still too early in the year to consider modifying our projections, collections through 2017 appear to be performing somewhat below expectations. We will monitor this trend closely over the next few months to determine whether or not a trend (positive or negative) exists, and if the forecast should be updated to reflect the new trend.

Income Tax Collections - All Funds



- **2016 Financial Reporting & Audit** – The 2016 basic financial statements (BFS) were filed with the Auditor of State's (AOS) office on May 29th, in compliance with the ORC-required deadline of May 31st. In early-May, the supervisor in charge of our audit left the firm (Julian & Grube) to accept outside employment, which resulted in a brief disruption of the process. We've worked with J&G to timely conclude the audit, and are now anticipating a release of the audited financial statements/CAFR during the first full week of June. Once the financial statements and CAFR have been released by the auditors, we will begin working on a new report, a Popular Annual Financial

Report or a PAFR. This document will be much more user-friendly, and will be used to communicate the results of operations in 2016, as well as the overall financial condition of the city. Please stay tuned – more details to follow!

- **Collective Bargaining** – We are scheduled to participate in a fact-finding session with the FOP on June 1st. Much of the effort on this topic has been directed toward preparing for that session. We would anticipate an answer from the fact finder within 2 weeks of the session. Council should be aware that, in accordance with the ORC and SERB regulations, the fact finder’s official report will require Council action within 7 days of issuance. As a result, it is quite possible that a special Council meeting may need to be called in order for the Administration to present the report, and for Council to take action on it.

- **Council Copier** – Last week, the city received delivery of the replacement equipment. We anticipate having the Konica Minolta technicians onsite sometime over the next 1-2 weeks to configure the copier and complete the transition. Once the switch has been made, they will make arrangements to come back and pick-up the old copier.

- **Police Station Construction Funding** – We continue working with our financial advisor and underwriter in planning the issuance. Based upon the current timeline estimates by the architect, we are planning to finalize the debt structure within the first two weeks of July. On May 22nd, PNC Capital Markets extended the note maturity until August 22nd. The interest rate on the extension increased to 1.36%, an increase of 31 basis points from the original note (1.05%). The extension will provide the city with the opportunity to more accurately determine the size of the issue and the costs of issuance. The benefit of the extension is that it will significantly simplify the bond issuance process, and eliminate any risk of over/under funding.