



City of Pataskala *Legislative Report to Council*

Legislative Report

November 7, 2016 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2016-4270 – 2ND READING**

An ordinance to rezone property located at 7000 Creek Road, Parcel number 064-068808-02.000, totaling 4.3 acres, in the City of Pataskala, from the current zoning, Agricultural (AG), to Medium Density Residential (R-20) Zoning Classification

➤ **ORDINANCE 2016-4271 – 2ND READING – 2017 Budget**

The proposed 2017 budget and 5-year projections were presented to Council for consideration at the October 17th meeting, with a formal review held at the special Council meeting on October 31st. Although we are tracking any changes that need to be made to the budget, we have not yet incorporated any of them in the proposed budget. This is to ensure that we all are working from the same version of the proposed budget instead of different amended interim versions. As a result, the attached exhibit remains unchanged from the 1st reading. We are requesting that the ordinance receive its' second reading at the November 7th meeting.

➤ **ORDINANCE 2016-4272 – 2ND READING – Income Tax Allocation Rates –**

Once the debt service and operational funding requirements have been identified, the allocation of income tax revenues between the Debt Service, Street, Police and Capital Improvements funds must be calculated. The initial portion is taken off the top to cover any outstanding debt service requirements. Once that has been determined, the next level is allocated to the Street and Police funds to cover their current year operational needs. Any remaining funds at that point are allocated to the Capital Improvements funds. The 2016 allocations were as follows: 35.65% - Street; 53.00% - Police; 9.20% - Debt Service; and 2.15% - Capital Improvements. For 2017, the allocations are proposed as follows: 35.65% - Street; 53.00% - Police; 8.90% - Debt Service; and 2.45% - Capital Improvements. We are requesting that the ordinance receive its' second reading at the November 7th meeting.

➤ **ORDINANCE 2016-4273 – 2ND READING – Supplemental Appropriation**

This ordinance has been significantly amended since its' first reading, and is being respectfully submitted to Council for a 2nd reading at the November 7th Council meeting. I am recommending that this legislation go through all three (3) of the required readings, which would provide staff with an opportunity to make any other required budgetary adjustments prior to the 3rd and final reading. **Changes to the legislation since the last reading have been highlighted in bold below. Council is being requested to substitute to this amended version at the November 7th Council meeting, and that the legislation receive its' second reading at the meeting.**

- *Sections 1 & 2: Police Station Funding* – As we are working toward the design and construction of a new police station, we need to identify the various sources of funding for the project. We would anticipate issuing long-term debt for much of the project, but will need multiple sources. The Capital Facilities fund, which receives City Hall rental revenue, will be used for a portion of the debt service. Council is being requested to approve a \$400,000 interfund transfer from the accumulated carryover balance in the Police (208) fund to the Capital Facilities (308) fund. By making this transfer, the fund will have an excellent foundation to pay the annual debt service.
- *Section 3: Recreational Programming* – We continue to learn about the varied types and amount of expenses paid in support of the various recreational programming activities offered by the city. We recently found out that there was a 2nd level of soccer referees and a medical liability insurance premium due, which were not previously aware of. As a result, the amended appropriations in the Recreation (206) fund are no longer adequate. The administration is requesting a total of \$20,000 in increased appropriations for such charges. Please know, however, that these costs are funded by the registration fees paid by the participants.
- *Section 4: Taylor Road/Cleveland Road Trail* – This project is funded in large part by the State of Ohio, which subjects the project to additional requirements that we do not typically have. We were just informed that the easement/ROW appraisals are subject to an independent evaluation – at the city's cost. It is estimated that such an evaluation cost as much as \$30,000, and we do have this item included in the current budget. The administration is requesting a \$30,000 increase in appropriations in the Capital Improvements (301) fund to cover such costs.
- *Section 5: OPWC Mink Road Project* – **Phase II of this project (intersection improvements at Mink and Broad) is funded by a MORPC-attributable grant, with a local share equal to 20% of the cost. We've received updated cost projections from Jobes Henderson with the total 2016 cost increasing by \$301,364 (local portion equal to \$104,594). The larger city share is due to increased detailed design work which is 100% the responsibility of the city, and is projected to be \$55,402 higher than originally estimated. The 2017 budget and 2018 forecast will also be increased when the revised cost estimates are incorporated. Proposed fiscal year 2017 appropriations will be increased by \$619,037 (\$123,807 local share) and the local share in 2018**

will be increased by \$574,086. I've attached a copy of my analysis to this report.

- **Sections 6-9: Health Insurance** – The medical insurance coverage level for the Finance department changed from employee-only to employee plus spouse during the year, significantly increasing the department's cost. As a result, the 2016 budget did not include sufficient appropriations for the increased insurance expense and deductible. The requested increased appropriations are being spread across the Street (201), Police (208), Water Utility (601) and Sewer Utility (651) funds.
- **Sections 10-13: Utility OPWC Projects** – The 2016 budget included proposed OPWC projects for both the water and sewer departments. Total spending on both was projected to be approximately \$1.3 million, with interfund transfers of \$171,816 included as the local share. As OPWC did not approve funding for either project, they will not be performed during 2016. These proposed appropriation adjustments will eliminate the OPWC grant funding, interfund transfer revenues/expenses, and project costs from the 2016 budget.
- **Sections 14-37: Year-End Budget Clean-Up** – Annually during mid-fourth quarter, the current appropriations are reviewed in order to determine whether: (1) adequate appropriations exist within each budget object to cover year-end spending; (2) budget reclassifications (e.g. moving from one budget category (such as 'Salary & Related' or 'Contractual Services') to a different budget category are required; or (3) excess appropriations exist which can be reduced in order to maximize the year-end unencumbered carryover fund balance. I've identified approximately \$4 million in net reductions across all funds and objects. Although there are a few increases, the majority represent either reclassifications or reductions.
- **Sections 38 – 42: Worker's Compensation Premium** – Historically, the annual worker's compensation policy premium is paid in April of the year following the payroll year (e.g., retrospective approach). Beginning with the 2017 policy year, however, the program has switched to a 'prospective approach', whereby the estimated annual policy amount is paid up front, and a 'true up' is made in December to address any shortages or overages in covered payroll. Unfortunately, the 2017 premium is due on or before January 3, 2017, and the year-end holiday would make it virtually impossible for the city to send the payment prior to the deadline. As a result, we are planning to send the payment to BWC in mid- to late-December 2016, so that we will be in compliance with the published deadline. In order to do that, however, the 2016 appropriations will need to be increased to accommodate the additional payment. The proposed 2017 appropriations in these lines would then be used to cover the true-up of the 2017 premium, and make the estimated 2018 premium payment in December 2017. I've attached a copy of the renewal correspondence from the Ohio BWC for your information.
- **Section 43: Recapitulation** – As there are a large number of changes to various funds and functions, it can be difficult to understand what the net impact of the combined changes will be. This section adds up all of the changes and summarizes them by fund, function and object (e.g., the lowest

level of budgetary authorization). In total, we are requesting a net decrease of approximately \$4.0 million in total appropriations across all funds.

CITY OF PATASKALA, OHIO
Mink Street Improvements Project - Phase II
2016 - 2018 Financial Impact Analysis

	2016			2017			2018			Total		
	City	ODOT	Total	City	ODOT	Total	City	ODOT	Total	City	ODOT	Total
Current Budget												
Detailed design	\$ 244,598	\$ -	\$ 244,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,598	\$ -	\$ 244,598
ROW acquisition	532,205	2,128,822	2,661,027	-	-	-	-	-	-	532,205	2,128,822	2,661,027
Utility relocation (est)	-	-	-	-	-	-	-	-	-	-	-	-
Railroad crossing	-	-	-	-	-	-	-	-	-	-	-	-
Construction engineering	-	-	-	-	-	-	36,492	145,968	182,460	36,492	145,968	182,460
Construction contract	-	-	-	-	-	-	341,508	3,919,246	4,260,754	341,508	3,919,246	4,260,754
Total	\$ 776,803	\$ 2,128,822	\$ 2,905,625	\$ -	\$ -	\$ -	\$ 378,000	\$ 4,065,214	\$ 4,443,214	\$ 1,154,803	\$ 6,194,036	\$ 7,348,839
Adjusted Budget												
Detailed design	300,000	-	300,000	-	-	-	-	-	-	300,000	-	300,000
ROW acquisition	532,205	2,128,822	2,661,027	-	-	-	-	-	-	532,205	2,128,822	2,661,027
Utility relocation (est)	-	-	-	113,000	452,000	565,000	-	-	-	113,000	452,000	565,000
Railroad crossing	49,192	196,770	245,962	10,807	43,230	54,037	-	-	-	59,999	240,000	299,999
Construction engineering	-	-	-	-	-	-	62,286	249,144	311,430	62,286	249,144	311,430
Construction contract	-	-	-	-	-	-	889,800	3,559,200	4,449,000	889,800	3,559,200	4,449,000
Total	\$ 881,397	\$ 2,325,592	\$ 3,206,989	\$ 123,807	\$ 495,230	\$ 619,037	\$ 952,086	\$ 3,808,344	\$ 4,760,430	\$ 1,957,290	\$ 6,629,166	\$ 8,586,456
Difference												
Detailed design	55,402	-	55,402	-	-	-	-	-	-	55,402	-	55,402
ROW acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Utility relocation (est)	-	-	-	113,000	452,000	565,000	-	-	-	113,000	452,000	565,000
Railroad crossing	49,192	196,770	245,962	10,807	43,230	54,037	-	-	-	59,999	240,000	299,999
Construction engineering	-	-	-	-	-	-	25,794	103,176	128,970	25,794	103,176	128,970
Construction contract	-	-	-	-	-	-	548,292	(360,046)	188,246	548,292	(360,046)	188,246
Total	\$ 104,594	\$ 196,770	\$ 301,364	\$ 123,807	\$ 495,230	\$ 619,037	\$ 574,086	\$ (256,870)	\$ 317,216	\$ 802,487	\$ 435,130	\$ 1,237,617



October 18, 2016

CITY OF PATASKALA
621 BROAD ST SW STE 2B
PATASKALA, OH 43062-8119

Policy Number: 39315433-0

RE: 2017 Policy Renewal, Notice of Estimated Annual Premium and Workers' Compensation Certificate, 2016 Policy True-Up Reminder

Dear Employer:

This letter includes your Notice of Estimated Annual Premium and Premium Installment Schedule for the renewal of your workers' compensation policy for the year that begins Jan. 1, 2017. This document is not a bill, but an estimate to aid you in budgeting. We have enclosed your new annual certificate.

New this year, you have the option to receive a 2-percent discount* by paying the full 12-month estimated annual premium on or before Jan. 3, 2017. Another new payment option for this year is to defer your initial premium payment, for a fee, until May 1. We will apply a deferment fee of 0.94 percent to the first four monthly installments. You can make either selection by logging on to www.bwc.ohio.gov and clicking on premium installment schedule, or by calling us at 1-800-644-6292.

In early December, we will mail the first installment invoice for the new policy year. Your payment will be due by Jan. 3, 2017. You can find your premium installment schedule on page 3. If you would like to request a change in your installment schedule, you may do so until Nov. 21, 2016.

If you elect to pay installments, please understand that failure to pay an installment timely will result in penalties and interest. You will also be responsible, dollar for dollar, for the costs of claims that occur during any period of non-coverage. We have estimated your premium (see the Policy section on page 3) using your historical payroll from the most recently reported policy year. If you believe the payroll estimate is incorrect, or you have a change in operations that will affect your payroll, please call us at 1-800-644-6292, or log onto www.bwc.ohio.gov.

As you know, there is also a payroll true-up requirement at the end of each policy year. This letter is to remind you that in January 2017 you will need to complete the payroll true-up process for the policy year that ends Dec. 31, 2016. The true-up requires you to report your payroll for the period of Jan. 1, 2016, to Dec. 31, 2016. This will be reconciled with the estimated payroll we used to calculate your premium. You must complete this true-up online at www.bwc.ohio.gov. Please call 1-800-644-6292 if you need to make other arrangements.

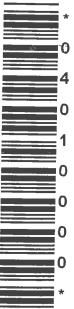
Failure to file your true-up will result in disqualification from BWC programs. If you don't have an e-account on www.bwc.ohio.gov, we strongly encourage you to create one prior to the true-up deadline to ensure you can log in to report your true-up. You will receive additional information and instructions in late December concerning the true-up requirement.

If you have any questions, please visit www.bwc.ohio.gov, and click on the prospective billing link on the Employers page, or call us at 1-800-644-6292.

Sincerely,

Sarah D. Morrison
Administrator/CEO

* This discount cannot reduce the total amount due below the required minimum premium of \$120.00.



General Information

Payment of premium

Failure to pay premium by the installment due date will result in a lapse in coverage and penalties. If a claim occurs during this lapsed period, you will be responsible for all claim costs associated with that claim. Please pay all installment billings timely to avoid penalties.

True-up report

At the conclusion of this policy year, we will require you to file an annual payroll true-up report online at www.bwc.ohio.gov. If the final premium is more than the premium you paid to us, you must pay the outstanding balance. If it is less, we will refund the balance to you. Failure to file the annual payroll true-up report timely will result in removal from all employer discount programs and rating plans. You will receive a reminder from us, but please mark your calendar.

Policy cancellation

If you cancel your policy, you must notify us in writing. When cancelling your coverage, you must file a final payroll true-up report. Important note: Once you cancel the policy, you may be entitled to a refund. We cannot modify the name on the refund. Prior to closing your business bank account, we recommend that you confirm with us that no additional refunds are in order.

Audit

We reserve the right to audit the information you submit on your annual payroll true-up report.

Change in operations

If you would like to modify your estimated premium exposure for the upcoming year, please call 1-800-644-6292.

Changing the installment schedule

If you would like to change your installment schedule by November 15, 2016, please log on to www.bwc.ohio.gov and click on premium installment schedule, on the Employers page or call us at 1-800-644-6292.

Workplace injuries

Remember to contact your managed care organization if one of your employees has a workplace injury.

Employer discount programs

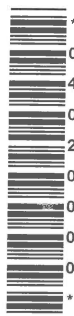
We offer many opportunities for employers to reduce their premiums and promote workplace safety. Please visit www.bwc.ohio.gov to see what opportunities your company may have.

Safety services

Our Division of Safety & Hygiene (DSH) can assist you in making your workplace safer. We provide these services to you at no additional cost. To contact DSH, please call 1-800-644-6292.

Important Dates to Remember

Date	Item
December 1, 2016	First installment/invoice mailed for 2017 policy year
January 3, 2017	First installment due for 2017 policy year
January 3, 2017	Annual true-up payroll notice mailed for 2016 policy year
February 15, 2017	Annual payroll true-up report due for 2016 policy year



Policy Information

Policy Number: 39315433-0

CITY OF PATASKALA
621 BROAD ST SW STE 2B
PATASKALA, OH 43062-8119

Policy period is from 12:01 a.m. January 1, 2017 to 12:00 a.m. January 01, 2018.

Selected installments: 12
Total estimated annual premium: \$76,787.76

Installment Schedule

Due Date	Amount
January 03, 2017	\$6,396.42
January 31, 2017	\$6,396.42
March 03, 2017	\$6,396.42
March 31, 2017	\$6,396.42
May 01, 2017	\$6,396.42
May 31, 2017	\$6,396.42
July 03, 2017	\$6,396.42
July 31, 2017	\$6,396.42
August 31, 2017	\$6,396.42
October 02, 2017	\$6,396.42
October 31, 2017	\$6,396.42
December 01, 2017	\$6,427.14

Breakdown of estimated premium calculation

Class Code	Class Type	Experience Modifier (EM)	(A) Blended Rate per \$100 payroll	(B) Estimated Payroll	(A x B)/100 Estimated Premium
9431	REG	1.04	2.8684	\$2,677,024.00	\$76,787.76
9439	REG	1.04	14.4750	\$0.00	\$0.00
Total				\$2,677,024.00	\$76,787.76

*For additional rating information, please visit
www.bwc.ohio.gov and log on with your e-account.

