

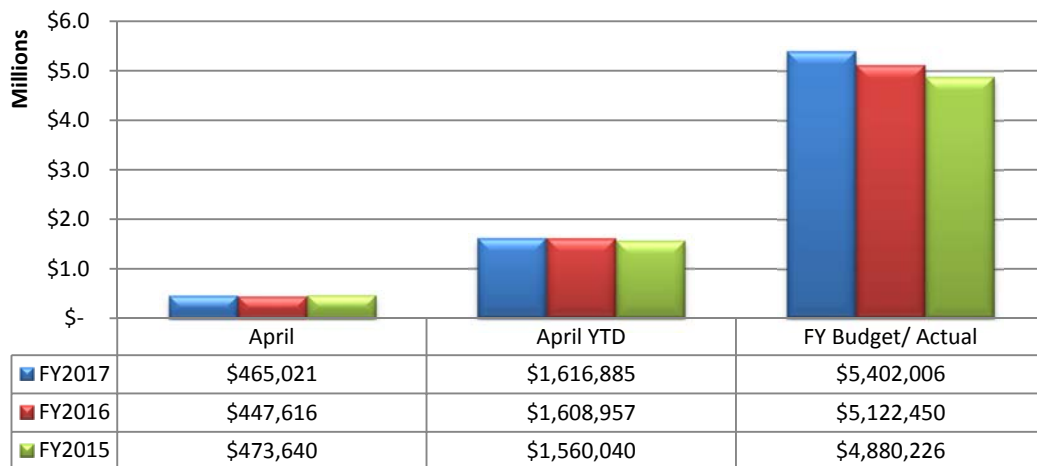


**City of Pataskala Finance Department**  
**James M. Nicholson, Finance Director**  
*Finance Director's Report to Council*

**Current Projects & Issues**

- **April 2017** – Although we are still posting entries for the month of April, 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 April's income tax collections.
  - **Income Tax Revenue** - Collections for the month of April were \$465,021 and are \$17,405 (3.89%) higher than April 2016 collections. On a year to-date basis, total collections are \$1,616,885 and are \$7,928 (0.5%) higher than last year. This amount equates to 29.93% of the full-year budget, below the 33.33% straight-line rate if revenues were collected evenly throughout the year. In 2016, the April year to-date collections amount equated to 31.41% of full-year collections, and the rate was 31.97% in 2015. Although it is still too early in the year to consider modifying our projections, collections through 2016 appear to be performing in line with 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** – We recently completed the development of the 2016 basic financial statements (BFS), as well as the CAFR document. The document is now with the auditors to review for accuracy and reporting compliance. The year-end financial reporting and audit process continues to be in line with where we were in 2016, which is still about 4-6 weeks ahead of where we were in 2015 and before. I'm still anticipating a mid-May release of the audited financial statements.

- **Collective Bargaining** – We met with the USW negotiating team on April 7<sup>th</sup>, however, no future sessions have been scheduled at this point. We are scheduled with the FOP for fact-finding on June 1<sup>st</sup>.
- **Council Copier** – The copier machine currently in use by the Council Clerk was originally acquired in 2013 via a 4-year operating lease through Konica Minolta. This lease is currently expiring, and we recently met with our Konica Minolta representative to identify the appropriate replacement equipment. The city is currently making lease payments of \$192.64 per month, and the payments for the proposed replacement copier would be \$194.67 per month. This is an increase of only \$2.03 per month, or 1.05%. Resolution 2017-037, which seeks Council authorization to enter into another operating lease for acquisition of a replacement copier, has been created and placed on the May 1<sup>st</sup> Council agenda for consideration.
- **Police Station Construction Funding** – We continue working with our financial advisor and underwriter in planning the issuance. The later than initially planned schedule for the construction has created some complications in structuring the issuance. However, we've received preliminary confirmation from PNC Capital Markets they are willing to extending the note maturity from May 22<sup>nd</sup> until July 1, at which time the size of the issue and the costs of issuance will be known. This consideration by PNC will significantly simplify the bond issuance process, and eliminate any risk of over/under funding.
- **2017 RAMP** – The city received two (2) bids on April 25<sup>th</sup> for the 2017 street improvement (RAMP) program. The engineer's estimate for the project was \$605,000 and the project budget was \$650,000. Shelly Company was the apparent low bidder, with a bid of \$598,999 which is currently being reviewed by Jobes Henderson. The bid from Decker Construction Company was \$621,404. The difference between Shelly's bid and the budget will be used to fund project engineering and construction administration.
- **2017 RITA Delinquency Program** – The Finance Committee will be meeting on May 1<sup>st</sup> to discuss a number of topics, one of which is the annual delinquent taxpayer program. RITA offers two distinctly different approaches: (1) a letter program – where delinquent taxpayers are formally notified of their delinquent status, outstanding tax liability and current penalties/interest; and (2) an administrative subpoena program – where taxpayers are summoned to Council Chambers via an administrative subpoena on a set day or days, where RITA auditors will be on-site to work with taxpayers to resolve their outstanding tax issues. Council may choose either of these options, or elect to do nothing. I am asking the Committee to weigh in with their position on which program (or none) Council would recommend. A copy of the RITA delinquency program selection form accompanies this memo.
- **2018 Budget Planning** – The Finance Committee will be reviewing and approving a proposed budget calendar for use in developing the 2018 budget and CIP proposals. A copy of the proposed schedule accompanies this memo. In addition to the calendar, we will be asking the Finance Committee to consider implementing a more formalized strategic planning process. This would entail having Council (possibly at a workshop) discuss the major city goals and objectives over the next 1, 5, and 10 years (e.g., '10,000 foot perspective'). Organizational and departmental strategic planning is recognized as a GFOA 'Best Practice', and can ensure that the administration and staff are implementing the projects and initiatives that support the overarching mission of the city. One key component of this process would be the development of: (1) an organizational mission

statement; (2) Council's vision for the community; and (3) core values for the organization. Once this has been established at a macro-level, departments can build their 2018 and beyond programs, projects and staffing to support individual Council goals and objectives. Copies of local community (Gahanna, Bexley, Westerville, Newark, Indian Hill and Marysville) strategic planning accompanies this memo. As you'll see from the documents, some are more complete and complex than others.



10107 Brecksville Road • Brecksville, Ohio 44141-3275  
TDD (440) 526-5332 1-800-860-RITA (440) 526-0900  
Fax: (440) 526-8013

April 19, 2017

James Nicholson  
Finance Director/Tax Admin.  
City of Pataskala  
621 West Broad Street Suite 2B  
Pataskala, OH 43062-0000

Re: Delinquency Program

The Regional Income Tax Agency offers its members the opportunity to address non-filing taxpayers through participation in its delinquency program. The delinquency program consists of two parts, a letter campaign to non-filing taxpayers followed by the issuance of administrative subpoenas to those who do not respond to the letters. A member may choose to participate in one or both parts of the program.

Letters RITA will send a letter to those active taxpayers on our files who have not filed one or more required tax returns for your municipality. This letter will advise taxpayers that the Agency's records indicate a tax return was due for the year(s) in question and instructs them to file the return(s) or to complete the exemption section of the letter to indicate why a return was not filed. There is no cost for sending this letter.

Administrative Subpoena For those members that choose to participate in both parts of the delinquency program, an administrative subpoena will be issued to taxpayers that fail to respond to the non-filing letter. The subpoena instructs the taxpayers to appear at your municipal hall, or other mutually agreed upon location, to meet with RITA auditors and produce their tax records. To allow RITA's field audit team to efficiently and effectively process tax returns and payments, and to provide real time credit card authorizations for your taxpayers appearing at the subpoena program, it is imperative that the attached technical and physical requirements are in place when the program is conducted. The cost to participate in this part of the program is \$8.00 per subpoena mailed.

If your municipality would like to participate in the delinquency program, please complete and return the enclosed authorization forms. If you choose to hold a full program please complete the authorization to deduct the costs from your monthly distribution. Upon receipt of the Authorization Form, you will be contacted to schedule a date for your program. **You must return the executed documents in the envelope provided no later than June 1, 2017 if you intend to participate.**

If you have any questions about the program, or the requirements, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Diane Maria', is written over a horizontal line.

Diane Maria  
Compliance Manager  
440-922-3269  
[dmaria@ritaohio.com](mailto:dmaria@ritaohio.com)

## SUBPOENA PROGRAM AUTHORIZATION

1. I would like delinquency letters sent and also want to schedule a subpoena program. Please contact me to schedule dates for the subpoena program.

For the municipality of: \_\_\_\_\_

Authorized signature: \_\_\_\_\_

2. I would like delinquency letters sent. I do not want to issue subpoenas.

For the municipality of: \_\_\_\_\_

Authorized signature: \_\_\_\_\_

3. I do not want to participate in the delinquency program. Do not send letters or subpoenas.

For the municipality of: \_\_\_\_\_

Authorized signature: \_\_\_\_\_

In order to participate in the 2017/2018 subpoena program your completed authorization must be received **by June 1, 2017**. Programs will be scheduled by region so your prompt response is important.

Return your responses to

Mail: RITA  
PO Box 470537  
Broadview Heights, Ohio 44147  
Attention: Diane Maria

Fax; 440-922-3509

Email: [dmaria@ritaohio.com](mailto:dmaria@ritaohio.com)

**AUTHORIZATION LETTER**

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Regional Income Tax Agency  
10107 Brecksville Road  
Brecksville, Ohio 44141

To Whom It May Concern:

Please accept this letter as your authorization to deduct from the monthly distribution check paid to the City/Village of \_\_\_\_\_, from RITA, the following costs incurred by RITA as extraordinary costs in the collection of delinquent accounts or the providing of additional information regarding the tax accounts of our City/Village.

- a) The cost of the subpoena program (\$8.00 per subpoena)

I hereby represent and warrant to RITA that the undersigned has full authority, on behalf of the aforesaid municipality, to authorize this deduction from the monthly distribution check from RITA and I further warrant and represent that said deduction has been legally and properly authorized by the aforesaid municipality by Ordinance/Resolution No. \_\_\_\_\_ or by Motion (see copy of attached Minutes of Council).

Further, I understand that this authorization will continue in full force and effect until specifically rescinded by this Municipality in writing.

Very truly yours,

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Tax Administrator/Finance Director  
City/Village of \_\_\_\_\_

## Subpoena Program Technical and Physical Requirements

In order to conduct an efficient and effective subpoena program for your municipality, Please complete the following form and return it to the Regional Income Tax Agency via email at [helpdesk@ritaohio.com](mailto:helpdesk@ritaohio.com) or via Fax at 440-546-0556 if you decide to move forward with letters and a subpoena program.

### Physical Requirements

- One or more power outlets capable of supporting up to 4 laptops and 4 desktop printers on a single breaker. Outlets should be within 10 feet of auditor's station.
- Four tables, each with approximately 12 sq. ft. of workspace.

### Technical Requirements

We require that you select an available network connection option for providing our subpoena team auditors internet access while conducting the program for your municipality.

- *Each of the connections must have unrestricted Internet access to the Internet websites [www.ritaohio.com](http://www.ritaohio.com), [ritaohio.webex.com](http://ritaohio.webex.com), [ra.ritaohio.com](http://ra.ritaohio.com), [sa.ritaohio.com](http://sa.ritaohio.com), [ra2.ritaohio.com](http://ra2.ritaohio.com) over TCP ports 80 and 443.*
- *If your LAN or wireless network utilizes a captive portal that prompts for confirmation of acceptable use policy or requires the user to enter a user name or password into a browser in order to gain access to the Internet, please let us know ahead of time. We have to adjust the security software of the computers we deploy prior to the day of the program.*

**Municipality Name:** \_\_\_\_\_

#### **Please indicate one**

We will provide a physical network port for each subpoena team auditor assigned to our program.

*Note: The physical Ethernet LAN connection must be within 50 feet of the auditors' station.*

We will provide wireless access for each subpoena team auditor assigned to our program.

*Note: For wireless connections to the Internet, we require a secure connection to a private (non-guest) wireless network. Please provide us with the SSID (Network Name) and WPA-2 Pre-shared Key Password. For system performance reasons, this should not be the same wireless access you provide to the general public when they visit your facility.*

We cannot provide internet access for each subpoena team auditor assigned to our program.

*Note: In the event that you cannot supply an Internet connection as set out above, our auditors will attempt to establish a connection to the Internet via a Verizon wireless device. In order to achieve effective wireless data and voice connection (through Verizon) the auditor work area must be above ground (first floor or higher), near a window (when possible), and away from safety department radio equipment.*

If you have any questions on the above technical specifications, please contact Our Helpdesk at 440-526-0900 x5010 or via email at [helpdesk@ritaohio.com](mailto:helpdesk@ritaohio.com).

**CITY OF PATASKALA, OHIO  
2018 BUDGET SCHEDULE**

DATE	DELIVERABLE
June 16, 2017	Capital planning (CIP) templates distributed to departments.
July 12, 2017	Operating budget planning templates/models distributed to departments.
July 12, 2017	Development of revenue projections completed. Departments provided with estimated budget funding.
August 1, 2017	Completed capital planning (CIP) templates due back to Finance Department.
August 11, 2017	Capital planning (CIP) data loaded into database and reports distributed to departments.
September 18, 2017	Council 2018 budget planning workshop.
August 18, 2017	Proposed departmental operating budget data due to Finance Department.
August 28 – September 15, 2017	Finance to review and consolidate departmental budgets.
August 25, 2017	Preliminary budget reports distributed by Finance.
September 18 - 29, 2017	Budget reviews by Administrator and Finance Director with draft budget presentation prepared.
October 11, 2017	Preliminary budget document and legislation presented to City Council for review.
October 16, 2017	1 <sup>st</sup> reading of legislation.
October 16 – November 20, 2017	Finance Committee review and budget public hearings
November 6, 2017	2 <sup>nd</sup> reading of legislation.
November 20, 2017	3 <sup>rd</sup> reading of legislation. Anticipated adoption by City Council.
December 15, 2017	Certified copy of budget sent to the Licking County Auditor and a first amended certificate requested.





Government Finance Officers Association

## BEST PRACTICE

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# Establishment of Strategic Plans

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### BACKGROUND:

Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organizations mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it. The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. The organizations objectives for a strategic plan will help determine how the resources available can be tied to the future goals. An important complement to the strategic planning process is the preparation of a long-term financial plan, prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions.

Strategic planning for public organizations is based on the premise that leaders must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy their constituents in the years head. Effective strategies are needed to cope with changed and changing circumstances, and leaders need to develop a coherent and defensible context for their decisions. National Advisory Committee on State and Local Budgeting (NACSLB) Recommended Practices provide a framework for financial management, which includes strategic planning.

### RECOMMENDATION:

GFOA recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps:

*(1) Initiate the Strategic Planning Process.* It is essential that the strategic plan be initiated and conducted under the authorization of the organizations chief executive (CEO), either appointed or elected. Inclusion of other stakeholders is critical, but a strategic plan that is not supported by the CEO has little chance of influencing an organizations future.

*(2) Prepare a Mission Statement.* The mission statement should be a broad but clear statement of purpose for the entire organization. One of the critical uses of a mission statement is to help an organization decide what it should do and, importantly, what it should not be doing. The organizations goals, strategies, programs and activities should logically cascade from the mission statement.

(3) *Assess Environmental Factors.* A thorough analysis of the governments internal and external environment sets the stage for an effective strategic plan. A frequently used methodology for conducting an environmental assessment is a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. Strengths and weaknesses relate to the internal environment, while analysis of opportunities and threats focuses on the environment external to the organization.

Local, regional, national, and global factors affecting the community should be analyzed, including (a) economic and financial factors, (b) demographic trends, (c) legal or regulatory issues, (d) social and cultural trends, (e) physical (e.g., community development), (f) intergovernmental issues, and (g) technological change.

Also, a government should develop mechanisms to identify stakeholder concerns, needs, and priorities. Among the mechanisms that might be employed to gather such information are (a) public hearings, (b) surveys, (c) meetings of community leaders and citizens interest groups, (d) meetings with government employees, and (e) workshops for government administrative staffs and the legislative body.

(4) *Identify Critical Issues.* Once the environmental analysis has been completed, the next step is to use the resulting information to identify the most critical issues. Issue recognition should reflect stakeholder concerns, needs, and priorities as well as environmental factors affecting the community.

(5) *Agree on a Small Number of Broad Goals.* These written goals should address the most critical issues facing the community. It may be necessary to define priorities among goals to improve their usefulness in allocating resources.

(6) *Develop Strategies to Achieve Broad Goals.* Strategies relate to ways that the environment can be influenced (internal or external) to meet broad goals. A single strategy may relate to the achievement of more than one goal. There should be a relatively small number of specific strategies developed to help choose among services and activities to be emphasized. Use of flowcharts or strategy mapping is encouraged in the design of strategies. To optimize the success of these strategies, opportunities should be provided for input from those who will be affected.

(7) *Create an Action Plan.* The action plan describes how strategies will be implemented and includes activities and services to be performed, associated costs, designation of responsibilities, priority order, and time frame involved for the organization to reach its strategic goals. There are various long-range planning mechanisms available to enable organizations to clarify their vision and strategy and translate them into action.

(8) *Develop Measurable Objectives.* Objectives are specific, measurable results to be achieved. Objectives and their timelines are guidelines, not rules set in stone. Objectives should be expressed as quantities, or at least as verifiable statements, and ideally would include timeframes.

(9) *Incorporate Performance Measures.* Performance measures provide an important link between the goals, strategies, actions and objectives stated in the strategic plan and the programs and activities funded in the budget. Performance measures provide information on whether goals and objectives are being met.

(10) *Obtain Approval of the Plan.* Policymakers should formally approve the strategic plan so it can provide the context for policy decisions and budget decisions.

(11) *Implement the Plan.* Organization stakeholders should work together to implement the plan. Moreover, the strategic plan should drive the operating budget, the capital plan, and the governments other financial planning efforts.

(12) *Monitor Progress.* Progress toward planned goals should be monitored at regular intervals. Organizations should develop a systematic review process to evaluate the extent to which strategic goals have been met.

(13) *Reassess the Strategic Plan.* Many external factors, such as the national or regional economy, demographic changes, statutory changes, legislation, mandates, and climate/environmental changes, may affect the environment and thus achievement of stated goals. To the extent that external events have long-range impacts, goals, strategies and actions may need to be adjusted to reflect these changes. New information about stakeholder needs or results may also require changes to the plan. It is desirable to minimize the number of adjustments to longer-term goals in order to maintain credibility. However, governments should conduct interim reviews every one to three years, and more comprehensive strategic planning processes every five to ten years, depending on how quickly conditions change. Performance measure results need to be reviewed more frequently than the strategic plan.

**Notes:**

Key elements of this recommended practice are drawn from *Recommended Budget Practices: A Framework for Improved State and Local Governmental Budgeting* of the National Advisory Council on State and Local Budgeting and from GFOAs recommended practice on Performance Measurement: Using Performance Measurement for Decision Making Updated Performance Measures