

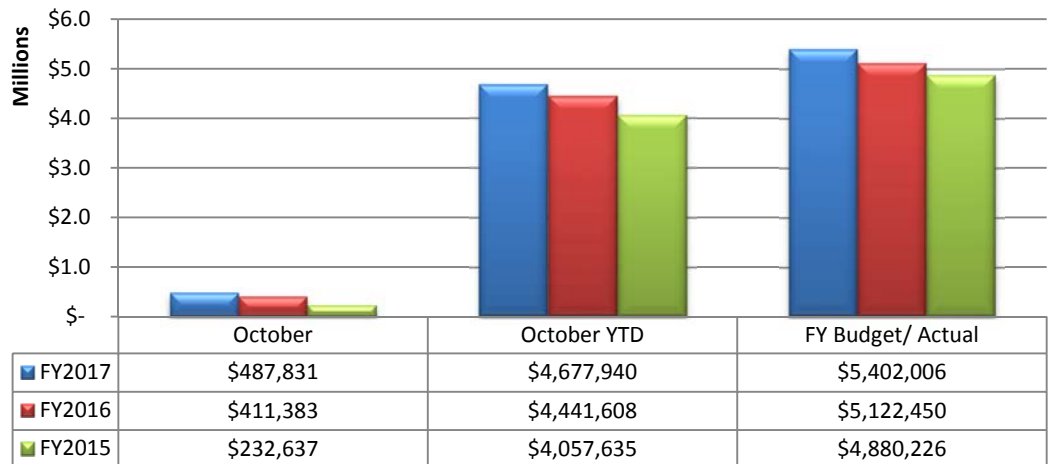


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **October 2017** – We are wrapping up the posting of entries for the month of October, and would anticipate closing the month by week’s end. Once the books have been closed and reconciled, 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 October’s income tax collections.
 - **Income Tax Revenue** - Collections for the month of October were \$487,831 and are \$76,448 (18.58%) higher than October 2016 collections. On a year to-date basis, total collections are \$4,677,940 and are \$266,332 (6.0%) higher than last year. This amount equates to 86.6% of the full-year budget, above the 83.33% straight-line rate if revenues were collected evenly throughout the year. In 2016, the October year to-date collections amount equated to 86.7% of full-year collections, and the rate was 83.14% in 2015. After completing ten months of the budget year and based upon the current collections rate, it would appear that collections are maintaining a trend that is in line with expectations.

Income Tax Collections - All Funds



- **2018 Budget** – A special Council meeting was held on October 11th to review the Administration’s proposed budget, including current revenue, spending and fund balance projections over the 5-year timeframe. After that meeting (but prior to the special Council meeting on October 30th), the City Administrator, Finance Director and Public Service Director met to go over the proposed budget and identify opportunities for savings. The result of the effort was a reduction of more than \$800,000 over the 5-year forecast period. The changes were summarized in a separate document, including their impact to year-over-year changes in fund balance. These changes and other changes identified at the October 30th meeting have been incorporated into the amended

budget exhibit, which will be presented to Council for their consideration at the November 6th Council meeting. We are looking for Council to amend the legislation by substitution to the revised Exhibit A to the ordinance at that meeting. Even with the required 4th reading of the legislation, however, we continue to be on-track to meet the scheduled budget adoption by the November mid-month Council meeting.

- **2018 Health Insurance Renewal** – I continue to work with our health insurance brokers, Mark Braidech and Brian Gatch from Wells Fargo, to identify potential replacement health insurance programs for 2018. In addition to the possibility of remaining with the Jefferson Health Plan (JHP) for 2018, we are also looking at the Central Ohio Healthcare Consortium (COHCC), and fully-insured programs to ensure that the city is getting the best employee benefits at the lowest possible cost. The JHP is the city's current program/TPA, and is the one that we stayed with when the OPEC-HC transitioned to a new TPA in late-June. Clearly, they have a vested interest in the city remaining with them, although they were a key player in the troubled program we are currently enrolled in. While the COHCC is a cooperative healthcare program, it has been successfully serving central Ohio communities since 1992. Every city/member has a seat and a voice on the executive board, ensuring that the member interests are appropriately represented. The current COHCC member cities include: Gahanna, Granville, Grove City, Powell, Canal Winchester, Worthington, New Albany, Obetz, Washington Court House and Madison Township. We anticipate having initial cost proposals by Friday, November 3rd, and we plan to update Council at the November 6th meeting. We would anticipate bringing a formal recommendation and resolution to Council at the November 20th Council meeting.
- **2018 Property, Casualty & Liability Insurance Renewal** – We received the initial paper work from our insurance carrier, the Ohio Plan, to ensure that their list of equipment, vehicles, buildings and other assets is correct and up to-date. Copies have been distributed to the department heads to verify the accuracy of the reports. Once this information has been updated, it will be returned to the Ohio Plan for the rate-setting phase of the renewal. We would anticipate receiving notice by mid-January of the 2018 renewal rates, and plan to bring the authorizing legislation to Council in early February, 2018.
- **Police Station Bid Opening** – The city held a bid opening on October 26th for the Police station construction project at which we received a total of nine (9) bids. Three of the bids were completely unacceptable (greater than 110% of architect's estimate), with another bid only being acceptable (barely) if we were to accept the base and option 2. The apparent low bidder was Charter Hill, however, they issued a letter to withdraw their bid due to errors in the bid document. Eliminating Charter Hill from consideration, the next lowest bid was Robertson with a bid of \$4,452,200 including both alternatives. The other bidder, Palmetto, was only \$270 greater than the comparable bid by Palmetto. Upon receiving formal Council authorization for the project, I will work with the financing team to determine whether the funding transaction should close in late-2017 or early-2018. In the event that it is preferable to close in 2018, bond counsel has requested that Council update the 'bank qualified' resolution to reflect the subsequent year.
- **Collective Bargaining** – We continue to have the collective bargaining agreement with the United Steelworkers Union (USW) outstanding at this time. In preparation for the final stages of the negotiations process, I've completed an update of the 2013-2016 contract with all of the updates tentatively agreed to by both sides. This updated version of the collective bargaining agreement has been provided to legal counsel for both sides to review, and potentially begin final preparations for ratification. Potential retroactive pay calculations for all employees impacted by a Q4-17 ratification date have been prepared, and updated as each additional pay period passes.