

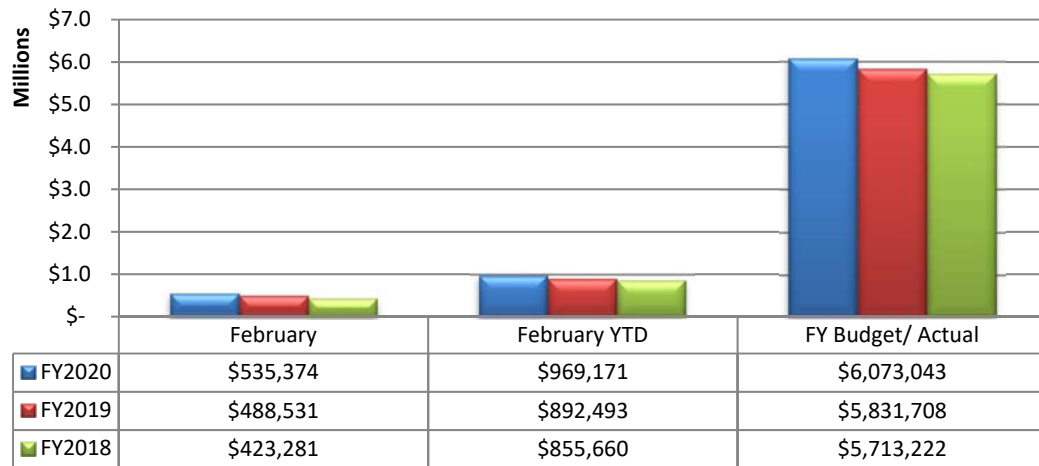


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **February 2020** – Although we are still posting entries for the month of February, 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 can update Council on the status of February income tax collections.
 - **Income Tax Revenue** - Collections for the month of February are \$535,374 and are \$46,843 (9.59%) higher than the February 2019 collections. This amount equates to 8.82% of the full-year budget. On a year to-date basis, we have collected a total of \$969,171 in income tax revenues which is equal to 15.96% of budget. This is somewhat below the 16.67% straight-line rate if revenues were to be collected evenly throughout the year. In 2019, the February year to-date collections amount equaled 15.30% of full-year collections, and the rate was 14.98% in 2018. It is still way too early in the year to consider modifying our projections. However, we will continue to monitor this trend closely over the next 3-4 months to determine if a trend (positive or negative) exists, and if the forecast should be modified to reflect any trends.

Income Tax Collections - All Funds



- **2019 Financial Reporting & Audit** – Over the next 3-4 months, we will be working to create the schedules and documents required to support the development of the 2019 GAAP accrual-based financial statements for the city, as well as the development of the 2019 Comprehensive Annual Financial Report (CAFR). Most of these schedules involve accrued wages, accounts payable and accounts receivable. In addition, we will also be updating the fixed asset inventory with all purchases and disposals during 2019 and supporting the audit of the 2019 financial statements. Over the past several weeks we have made significant progress in completing many of these

schedules.

- **Park Seasonal Staffing Recruiting** – The postings are still open, and we’ve received a number of applications for seasonal swimming pool staffing and grounds maintenance personnel. The postings are open for the next 30 days.
- **Other Staffing Recruiting** – We currently have two other positions currently open: (1) Utility Systems Superintendent; and (2) Mayor’s Court Clerk (recent resignation). Internal and external postings have been prepared and published in the Newark Advocate, online recruiting sites and the city’s website. We are working with the Administration and the Utility Director to facilitate as stress-free transition process as possible for both of these unanticipated openings.
- **Collective Bargaining** – Final drafts of all three collective bargaining agreements (FOP, OPBA and USW) have been prepared and are being presented to Council for their approval at the March 2nd Council meeting.
- **Supplemental Appropriation** – I plan to present a supplemental appropriation ordinance to Council at the March 16th Council meeting which will go through all three readings. Most of these items I still need to quantify for the ordinance, but I wanted to make you aware of the nature of the requests prior to that time. As of now, here are most of the items I believe will end up being in the supplemental:
 - *27 vs 26 Pays* – Since the city pays its employees on a biweekly basis, there are generally 26 pays per year (52 weeks divided by 2-week pay period). Very infrequently, however, the timing of payroll causes there to be 27 periods on a cash basis of accounting (i.e. when the cash is actually disbursed by the city). 2020 will be a year where this anomaly occurs and we would normally have the money distributed on Friday, but in December that would occur on January 1. As this is not a banking holiday, we will need to post the transfers on December 31 which results in the 26th pay. Salaried employees (including Council members and Mayor) will have their 2020 paychecks reduced to match their approved annual salary by either: (1) reducing the remaining pay periods; or (2) not receiving a pay on the 27th pay period. I am working with the Administration to determine the most appropriate method with the least employee impact. This does not impact hourly employees as their pay is based upon the hours worked not a flat salary, but it does impact the budget. This reflects an approximately 3.9% increase in the wage, taxes and pension line in the budget. I am unable to determine the total impact at this time, as we have to have the retroactive pay calculated and new pay rates determined.
 - *Employee Retirement* – We have a very long-term employee who has indicated that he’ll be retiring at the end of 2020. This employee has a large paid leave (vacation and sick) that will be cashed out pursuant to city policy shortly after his retirement. In order to have sufficient budget to cover these unanticipated payments, we will need to calculate his gross payout and add it to the supplemental.
 - *Longevity Pay* – The new union contracts contain provisions to pay employees a fixed sum based upon their years of service. The current language provides for \$100 per year after their 5th year with a maximum payout of \$2,000. This is an additional item to the salary budget that was not contemplated during the development of the 2020 budget.
 - *Contract/Pay Matrix* – With the pending approval by Council of the three collective bargaining agreements as well as the 2020 pay matrix, the 2020 pay scale adjustment (e.g. COLA) will be 4% for the USW and non-union employees and 6% for the FOP/OPBA employees. The approved budget contained 3% increases for all employees, which is well

below what will be actually awarded.

- *2020 Street Program* – The Public Service Director has evaluated the streets and related infrastructure to be included in this year’s street improvement program. The originally approved budget for the program was \$650,000. He believes, however, that additional work can be performed at the same time using savings from the 2019 budget. This amount could be as high as \$200,000. At this time however, he hasn’t had an opportunity to vet this through the Street Committee. For now, it’s on my radar as a potential add to the supplemental but is uncertain at this time whether it will be pursued.
- *Liberty Park Improvements* – The city has received an ODNR NatureWorks grant for the Liberty Park Improvements project. However, it was not included in the 2020 budget as we hadn’t formally received notice of the award prior to developing the budget. The total amount of the supplemental will be \$122,104 (includes 5% contingency) which will come from the Capital Improvements (301) and Park Use (207) funds with funding of \$68,579 coming from ODNR. The remaining local match of \$53,525 will be split between the 2 funds.