



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

Current Projects & Issues

- **February 2020** – The ledger for the month of February was successfully balanced and closed by the 2nd business day of the month. I began working on the month-end financial reporting but was unable to complete it prior to preparing this report. I plan to have it completed by early next week, however.
- **2019 Financial Reporting & Audit** – We continue working on creating 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. Shortly after the application deadline has passed, a meeting will be scheduled and the applications presented to the Personnel Board of Review (PBR) for their review and the development of an approved eligibility list.
- **Other Staffing Recruiting** – We currently have two other positions currently open: (1) Utility Systems Superintendent; and (2) Mayor's Court Clerk. Internal and external postings have been prepared and published in the Newark Advocate, online recruiting sites and the city's website. We continue to work with the Administration and the Utility Director to facilitate as stress-free transition process as possible for both of these unanticipated openings. Applications for the Utility Superintendent and Mayor's Court Clerk will be presented to the Personnel Board of Review (PBR) On March 25th for the board's review and the development of an approved eligibility list
- **Supplemental Appropriation** – A supplemental appropriation ordinance has been prepared and submitted to Council for consideration at the March 16th Council meeting. Due to time constraints, there were a number of additional items that have been identified, but I was unable to accurately quantify in time for the preparation of the Council packet. These items will need to be calculated and included in a future supplemental, which I would anticipate bringing to Council sometime mid-summer. Here are the items that didn't make the current supplemental but will be presented to Council in the future:
 - *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 adjusted 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. Employees have the option to select either approach. 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.

- *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 awarded.