



City of Pataskala *Legislative Report to Council*

Legislative Report

June 15, 2020 Council Meeting

Unfinished Business

- A. Ordinances
- B. Resolutions

New Business

- A. Ordinances

➤ **ORDINANCE 2020-4367 - INCOME TAX ALLOCATION RATES- 1st READING**

Due to the significant decline in the amount of income tax collections received in May and early-June, it appears that the Debt Service fund might not receive enough revenue in 2020 to cover the city's governmental debt service requirements. As a result, we are requesting that 3.5% of collections be reallocated from the Street and Police funds into the Debt Service funds effective June 1. Should 2020 collections end up stronger than anticipated and the Debt Service fund ends up with a larger year-end carryover balance, we can significantly reduce the 2021 allocation rate which would result in additional funds being allocated to the Street and Police funds next year. **We are respectfully requesting that Council hold the 1st reading of the ordinance at the June 15th meeting. Due to the imminent nature of the revenue decline, we are requesting that Council declare an emergency and approve it at the 1st reading.**

➤ **ORDINANCE 2020-4368 - SUPPLEMENTAL APPROPRIATION – 1st READING**

There are two items that have been identified which require additional appropriation authority from Council. The first is the result of mediation on the Fannin & Deagle legal matter, and the second is due to greater than-budgeted pay rates, longevity pay and an additional pay period in 2020. Complete details are listed by section below. **We are respectfully requesting that Council hold the 1st reading of the ordinance at the June 15th meeting. It is anticipated that this legislation will go through all three readings, with approval requested at the 3rd reading.**

- *Section 1: Fannin & Deagle Litigation Settlement* – The city recently participated in mediation with representatives of Fannin & Deagle (F&D) to arrive at an

equitable resolution of the litigation initiated by F&D. Among other agreed-to items, the settlement called for a cash payment of \$50,000 to F&D. As there is no appropriation for this in the 2020 budget, the budget must be amended to reflect this expenditure from the General fund. **We are requesting an increase in approved appropriations of \$50,000 in order to cover the mediation settlement payment to F&D.**

- *Sections 2-6: Increased Wage and Pension Costs* – The city entered into collective bargaining agreements with the FOP, OPBA and USW for 2020 which gave wage rate increases that are greater than the 3% included in the budget as adopted. The Police unions were granted a 6% increase in 2020, and the USW/non-union (e.g. pay matrix) employees were granted a 4% rate increase in 2020. The financial impact to the 2020 budget for the higher than budgeted increase in pay rates is approximately \$66,400.

In addition, due to the timing of the payroll schedule, 2020 contains 27 biweekly payroll payments instead of the typical 26. This is a somewhat uncommon occurrence, happening only every 11 years. Please note that salaried employees do not receive additional compensation in 2020, as they were given the option to either receive their salary over the 27 pay periods, or to take a no-pay payroll at the end of the year (27th pay).

In addition to the wage rate and 27-pay year issues, employees are now being granted longevity pay starting in 2020. For all employees, the financial impact to the budget is approximately \$37,000. **In total, we are requesting an increase in approved appropriations of \$216,100 in order to cover the estimated costs of the wage adjustments.**

B. Resolutions

➤ **RESOLUTION 2020-043 - A RESOLUTION AUTHORIZING AND DIRECTING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH SPENCO. EXCAVATING, INC. TO REPLACE A 60" CULVERT UNDER CABLE ROAD**

Approval of this resolution will provide for the replacement of a 60" culvert along Cable Road just east of Mink St. This culvert was inspected after the heavy rain events this spring and was found to have experienced deterioration, is in poor condition, and needing replaced as soon as possible.

As this project is below the bidding threshold, the formal bidding process was not used; however, SpenCo Excavating, Inc. has been the low bidder on previous work of similar nature. They are a local contractor, and the projects that they have completed for the City have been very successful with them being an exceptionally responsive and responsible contractor. This work is in accordance with the Public Service Department's revised spending plan for 2020 as previously provided to Council.

Approval of this Resolution is recommended.

➤ **RESOLUTION 2020-044 - CARES ACT REIMBURSEMENT**

The Coronavirus Aid, Relief, and Economic Security Act, 116 Public Law 136, (the CARES Act) was signed into law on March 27, 2020. This act provides funding to state, county and local governments to pay for COVID19-related expenses incurred by the government on behalf of its employees and constituents. The Ohio General Assembly established a process for distributing funds provided by the CARES Act in Amended Substitute Senate Bill 310 of the 133rd General Assembly (S.B. 310). SB 310 requires subdivisions receiving funds, to pass a resolution affirming that funds from the County Coronavirus Relief Distribution Fund will be expended only to cover costs of the subdivision consistent with the requirements of Section 5001 of the CARES Act, as described in 42 U.S.C. 601(d), and any applicable regulations before receiving said funds. The city has already filed its' application with the Office of Budget & Management (OBM) requesting to participate in the distribution. At this time, we are not aware of how much could potentially be distributed to the city, and how much in qualifying expenditures we can document. **We are respectfully requesting that Council hold the 1st reading of the ordinance at the June 15th meeting and approve the resolution at that time.**