

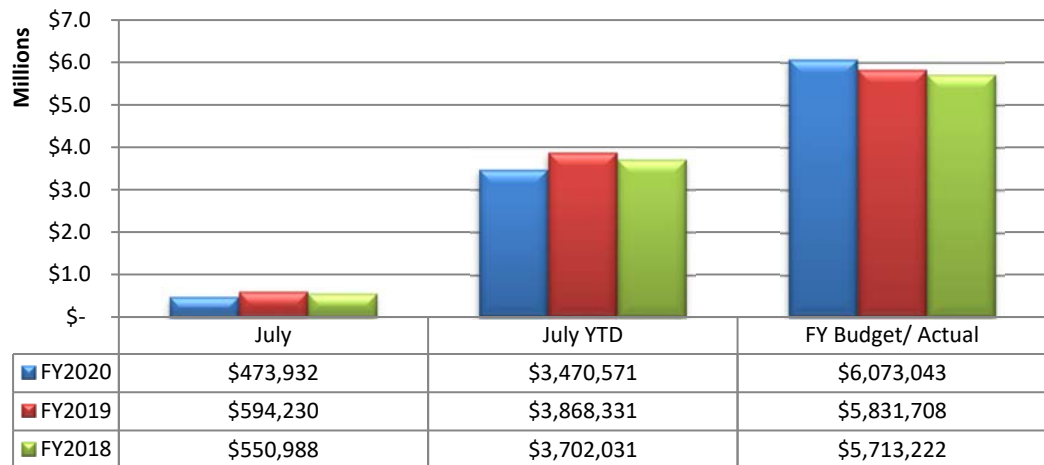


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **July 2020** – Although we are still posting entries for the month of July, I would anticipate closing the month by mid-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 July's income tax collections.
 - **Income Tax Revenue** - Collections for the month of July were \$473,932 and are \$120.3 (20.24%) lower than the July 2019 collections. On a year to-date basis, total collections are \$3.47 million and are \$397.8 thousand (10.28%) lower than last year. This amount equates to 57.15% of the full-year budget, somewhat below the 58.33% straight-line rate if revenues were to be collected evenly throughout the year. However, the straight-line approach is not terribly accurate due to the April 15th typical tax filing deadline. In 2019, the July year to-date collections amount equaled 66.33% of full-year collections, and the rate was 64.8% in 2018.

Income Tax Collections - All Funds



If you assume that the July 2020 YTD collections were equal to 65.57% (average of prior two years), the projected current FY collections would be approximately \$780.1 thousand lower than what is currently forecast. Based upon this information and using trend analysis, it appears that the full-year collections might end up being down as much as \$1.7 million. Since we've received both July settlements, I believe that we have a much better 'apples-to-apples' comparison and will be reducing the revenue forecast accordingly.

- **2019 Budget Award** – We recently received notice from the Government Finance Officers Association (GFOA) that our 2020 budget document once again received their *Distinguished Budget Presentation Award*. This is the 4th consecutive year that we've received this award and

the 2020 document has been submitted to the GFOA for consideration. We are very proud of the professional recognition and the financial transparency it represents.

- **Internal Control Audit** – As you may be aware, the prior Charter Review Commission included a provision for an audit of the city’s internal control processes every six (6) years. Council President Barstow and I have been working to identify what this audit is intended to cover (scope), as well as what assurances it is to provide. We’ve had several conversations with financial professionals to get the process underway. Our last conference call was with an IPA (independent public accounting) firm to identify the scope, scale and cost of such an audit. I’ve provided them with a number of documents to begin this process, and which included the following: (1) accounting/payroll process narratives; (2) audited 2019 financial statements; (3) a copy of a monthly financial condition report; and (4) 2019 audit correspondence. They will use this information and contact our current auditors to assist in their evaluation of the city and the development of a proposal. We hope to have a better idea of what we’re looking at by late-summer or early-fall.
- **2022 Budget** – We updated and distributed all of the operating budget templates and budget instructions to the departments to facilitate their 2021-2025 operating budgets. In addition, I’ve begun my annual analysis and review of current revenue collections in order to update the 2020 forecast. Those updated numbers are then used as the basis for the 2021-2025 revenue projections. I’ve received capital improvement program (CIP) from several of the departments but am still waiting on a few submissions. It is anticipated that this year’s program will look dramatically different from prior years due to the COVID19-related loss of revenue.
- **Employee Handbook Update** – We have begun the process of reviewing the employee handbook. This was last done in 2018, and a number of labor-related laws and regulations have changed during that time. In addition, the recently ratified union contracts have resulted in a number of differences between union and non-union employees, including holidays, longevity pay, overtime, etc. The goal of this process is to update the handbook so that all documents align and are not contradictory.
- **Human Resources**: We prepared an offer letter and coordinated the onboarding process for the newly hired Mayor’s Court Clerk, as well as preparing and mailing letters to the candidates notifying them of their non-selection.

May 20, 2020

James N. Nicholson
Finance Director
City of Pataskala
621 W. Broad Street, Suite 1D
Pataskala, OH 43062

Dear Mr. Nicholson:

We are pleased to inform you, based on the examination of your budget document by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. A Distinguished Budget Program application is posted on GFOA's website. This application must be completed and accompany your next submission. (See numbers 12 and 13 on page 2 of the application for fee information and submission instructions.)

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

James N. Nicholson, Finance Director

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive an award plaque that will be mailed separately and should arrive within eight to ten weeks. Also enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria.

The following standardized text should be used:

James N. Nicholson

May 20, 2020

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Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Pataskala, Ohio**, for its Annual Budget for the fiscal year beginning **January 1, 2020**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive style with a period at the end.

Michele Mark Levine
Technical Services Center

Enclosure



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Pataskala

Ohio

For the Fiscal Year Beginning

January 1, 2020

Christopher P. Morill

Executive Director

FOR IMMEDIATE RELEASE

May 20, 2020

For more information, contact:

Technical Services Center

Phone: (312) 977-9700

Fax: (312) 977-4806

E-mail: budgetawards@gfoa.org

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Pataskala, Ohio**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- n a policy document
- n a financial plan
- n an operations guide
- n a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **James N. Nicholson, Finance Director**.

There are over 1,600 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 20,500 members and the communities they serve.