

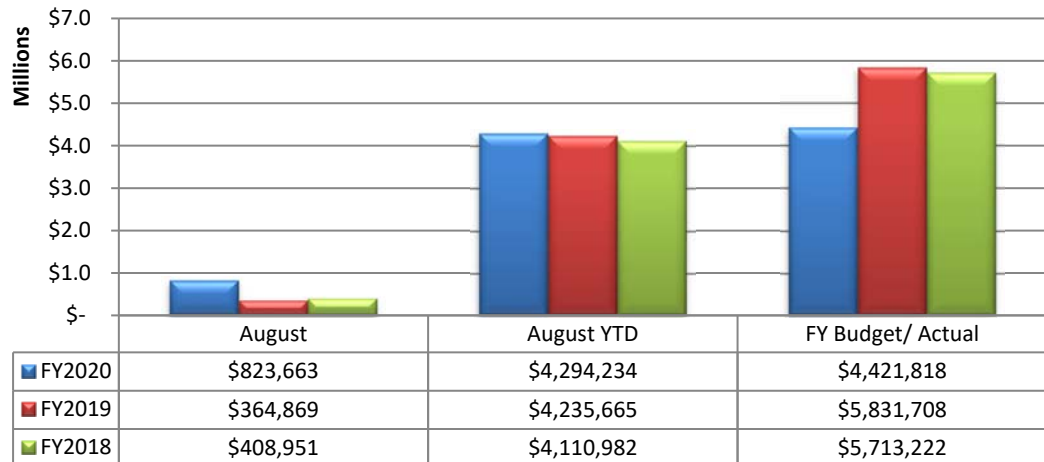


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **August 2020** – We’ve completed posting ledger entries for the month of August and have preliminarily closed the books. I plan to have the comprehensive monthly financial report prepared and distributed sometime next week. At this point in time, however, I can update Council on the status of August’s income tax collections.
 - **Income Tax Revenue** - Collections for the month of August were \$823,663 and are approximately \$459 thousand (125.7%) higher than the August 2019 collections. This is an obvious anomaly and I want to confirm that an error hasn’t been made in the collection and reporting of our income tax revenues. I’ve reached out to RITA seeking their assistance in identifying why there is such a year-over-year increase during the current fiscal downturn. Please know that I will update Council once I hear back from them on the reason/cause. On a year to-date basis, total collections are \$4.29 million and are \$58.6 thousand (1.38%) higher than last year. This amount equates to 97.11% of the revised full year budget, and is dramatically higher than the 66.67% straight-line rate (assuming revenues were to be collected evenly throughout the year). Clearly there is something unusual and unanticipated driving the variance and we will investigate it thoroughly and revise the revenue forecast appropriately. If this is found to be accurate (and won’t be reclaimed or refunded), we’ll quickly need to update the revenue forecast to reflect the higher collection rates. This would also carry through to the 2021-2025 budget planning process as well, as future revenues are based upon current rates of collection.

Income Tax Collections - All Funds



- **2022 Budget** – All city departments submitted their initial 2021 budget proposals and we have finished compiling all of the data and begun our analysis. We’ve already held several budget

review sessions with the departments and provided feedback to them in order to make adjustments. As might be expected during a downturn in the economy, the proposals exceeded the available resources. We've asked the directors to 'sharpen their pencils' and look for opportunities to reduce the amount of the requests. Additionally, we've received reductions in approved 2020 spending which will increase their year-end 2020 carryover fund balance. This increase will assist them in managing an appropriated carryover balance from 2021 through 2025.

- **Employee Handbook Update** – We completed the process of reviewing the employee handbook which was last done in 2018. Since that time, 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. After Council approval, we'll make bound copies for all employees and publish to the city's website to ensure that everyone needing access to the document has it.
- **Human Resources**: Began the recruiting process for the replacement of a part-time Police Clerk and Equipment Operator due to pending retirements later this year.
- **2021 Medical Insurance Renewal**: The COHCC Board is beginning to work with USI (our agent) to review recent claims history, plan design options and recent related legal changes that might impact our employee health insurance program. We would anticipate having renewal rates by either late-September or early-October. Once that information is known, we'll bring it to Council for ratification. At first blush, I believe that we might be looking at an increase in the 5-9% range (although we haven't completed the review/negotiations process).