

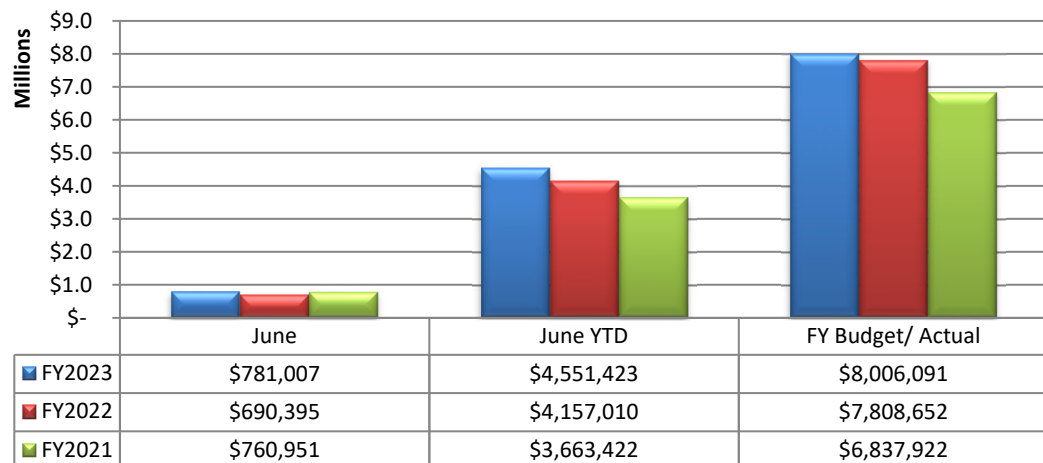


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **May/June 2023** – The financial results through May 31st have been compiled and summarized in the monthly Financial Condition Report, which was previously distributed and is currently available on the city's website. We are still posting entries for the month of June, but I would anticipate closing the month early the week of July 4th. I am shooting to have the monthly financial condition report for the month out by the end of the following week. At this point in time, I can update City Council on the status of June's income tax collections.
 - **Income Tax Revenue** - Collections for the month of June are \$781.0 thousand and are \$90.6 thousand (13.12%) higher than the June 2022 collections. On a year to-date basis, the city has received \$4.55 million in income tax collections which is \$394.4 thousand (9.49%) higher than in the same 6-month period in 2022. This amount equates to 56.85% of the full year budget and is somewhat higher than the 50% straight-line rate if revenues were to be collected evenly throughout the year. In 2022 this rate was 53.24%, and it was 53.58% in 2021. Income tax collections in 2023 appear to have taken off to a reasonably good start. Although it is still too early in the year to consider modifying our projections, we will continue to monitor this trend closely over the next few 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
 (Street, Police, Capital Improvements & Debt Service funds)



- **2022 Financial Reporting & Audit** – The auditors are finalizing their review of the financial statements and the 2022 Annual Comprehensive Financial Report (formerly CAFR). At that point, we'll finalize the Annual Comprehensive Financial Report (ACFR) and submit it to the GFOA for consideration in their awards program.

- **2022 PAFR** –The Popular Annual Financial Report (PAFR) is a user-friendly version of the Annual Comprehensive Financial Report (ACFR) and attempts to improve fiscal transparency and to communicate the city’s financial condition to its’ residents. We have completed the development of a draft 2022 PAFR document and hope to have it distributed by early August.
- **2024 Budget** – We have begun working on the capital improvement program (CIP) portion of the 2024 budget. The departments have about a month to complete this process. I will begin to focus on preparing the budget modeling tools for the operating budget and fund balance reporting.
- **In-House Income Tax Collections** – Due to my being out of the office for 2 weeks in June and then ‘playing catch-up’ with everything else, I’ve not had an opportunity to spend any quality time on the review of the responses from other Ohio GFOA member communities that handle income tax collections in-house. I plan to begin that review in the next week or so, and hope to have a summary to provide Council shortly thereafter.
- **WRF Expansion Project Funding** – It appears that the EPA may be able to complete their review of the city’s proposed WRF plant expansion more quickly than was initially anticipated. As a result, I have requested that a meeting of the City Administrator, Assistant City Administrator, Utility Director, the city’s Bond Counsel and I with our Municipal Advisor, Heather Arling of Bradley Payne Advisors, be scheduled to discuss the project, timing, and funding strategies.
- **Email Retention Policies** – Tim and I recently participated in a quarterly business review with representatives of Keytel. As a part of that discussion, we spent some time reviewing the city’s email retention policies. One of the issues we are facing is the sheer volume of emails many employees retain in their Inbox. This may eventually cause their email account to use up all the data allocation provided by Office 365. Once that occurs, the employee will no longer be able to send or receive messages. An interim solution to this problem would be to automatically archive emails older than 2 years old. These archives would still be available to the employees (and searchable), but it removes them from the online data usage. We will be discussing this topic with the other directors at our next meeting to ensure that this doesn’t create any unintended consequences. Additionally, we need to consider our records retention schedule and determine what length of time emails should be kept prior to ultimately purging them from the system. Again, discussions with the directors and legal counsel will need to be held to ensure that we are properly and legally managing electronic records.
- **Finance Director Vacation** – Please know that I will be on vacation from July 17-21, but can be reached via email, text or phone. During my absence, Assistant Finance Director Cathy Harris will be named as acting Finance Director. During my absence, either Cathy or Duane should be able to assist you with any time-sensitive issues.