

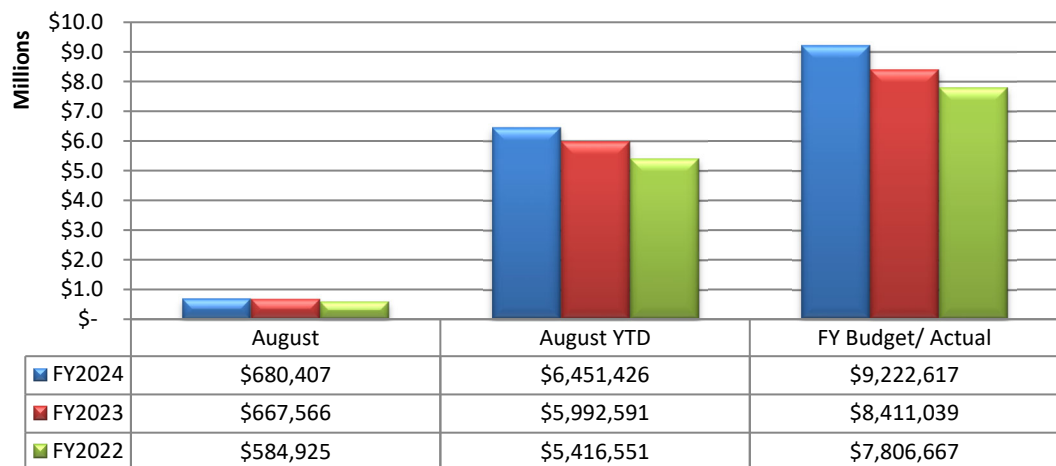


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **July/August 2024** – The financial results through July 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 August. At this point in time, however, I can update Council on the preliminary status of August income tax collections.
 - **Income Tax Revenue** - Collections for the month of August are \$680.4 thousand and are \$12.8 thousand (1.92%) higher than the August 2023 collections. On a year to-date basis, the city has received \$6.45 million in income tax collections which is \$458.8 thousand (7.66%) higher than in the same 8-month period in 2023. This amount equates to 69.95% of the full year budget and is higher than the 66.67% straight-line rate if revenues were to be collected evenly throughout the year. In 2023 this rate was 71.25%, and it was 69.38% in 2022. Income tax collections in 2024 appear to have taken off to a reasonably good start. We now can confirm the positive trend in income tax collections growth and have increased the full-year projection by \$362.0 thousand (4.18%) as part of the annual budget process.

Income Tax Collections - All Funds
 (Street, Police, Capital Improvements & Debt Service funds)



- **Financial Internal Controls, Policies & Procedures** – We've prepared a draft formal documentation of the internal controls, policies, and procedures in the Finance department. This has resulted in a *Financial Policies & Procedures Manual* for the city and includes all aspects of fiscal-related operations such as payroll, accounts payable, accounts receivable, debt management and investments. This document has gone through an internal review process with the Administration and has been presented to Council for their review and approval.
- **2025 Budget** – We are still working on the CIP program at this time. Most of the departments

have already completed and submitted their proposals, although we are waiting to receive the utility department's proposals. Based on several proposed CIP projects that have been submitted, we will need to calculate and add any additional debt services related to any planned debt issuances during the 5-year forecast period. Once we have everything entered and reviewed, we will provide the departments with the amounts by general ledger account number to be entered into their operating budget models. I have also completed my analysis and review of the 2024-2029 revenue forecast. This process included a review of the July 2024 year-to-date collections. A number of revenue lines were amended to reflect the current rate of collections including income tax collections.

- **Iron Filter Replacement Project** – We are working with the Administration and the Utility department to arrange funding for the Iron Filter Replacement project. This project is expected to cost approximately \$3.0 million, and we are planning to borrow the funds for the project. At this point we are planning to structure the transaction as a 7-year loan. We have reached out to Park National Bank and Bond Counsel to begin discussions on the required legislation, etc. and will be bringing the enabling legislation to Council shortly. We would anticipate closing the transaction on or before December 31, 2024 which will provide the needed funding for the 2025 CIP project. The project expenditures and the resulting debt service will both be included in the 2025 budget.