

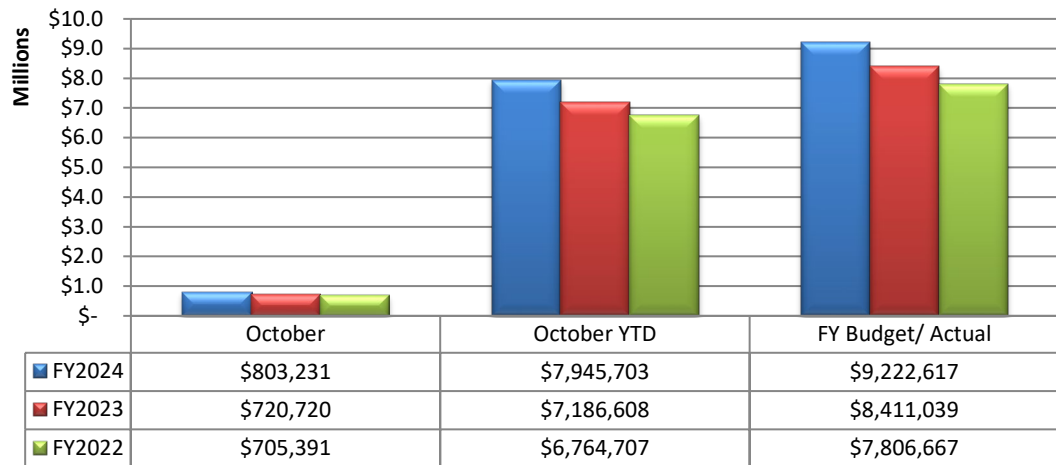


City of Pataskala Finance Department
James M. Nicholson, Finance Director
Finance Director's Report to Council

Current Projects & Issues

- **October 2024** - We are still posting entries for the month of October, but I would anticipate closing the month by the middle of the first week in November. I am anticipating having the monthly financial condition report for the month out by the end of the following week. At this point in time, I can update Council on the status of October's income tax collections.
 - **Income Tax Revenue** - Collections for the month of October are \$803.2 thousand and are \$82.5 thousand (11.45%) higher than the October 2023 collections. On a year-to-date basis, the city has received \$7.95 million in income tax collections which is \$759.1 thousand (10.56%) higher than in the same 10-month period in 2023. This amount equates to 86.15% of the full year budget and is higher than the 83.33% straight-line rate if revenues were to be collected evenly throughout the year. In 2023 this rate was 85.44%, and it was 86.65% in 2022. Income tax collections in 2024 continue to collect better than expected.

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



- **2025 Budget** – The budget as presented at the budget workshop was used to draft the appropriation ordinance. I've already added the additional \$15,000 approved by Council at the October 7th Council meeting for the installation of a water spigot at the intersection of Front and Main. I've completed the creation and printing of the formal, annual comprehensive budget document. This document has already been both electronically and physically distributed to Council. In addition, the annual income tax allocation legislation has been prepared. Both pieces of legislation are being presented to Council at the October 21st Council meeting.
- **Income Tax Allocation Rates** – As part of the annual budget process, I use the forecasted

carryover fund balances and proposed 2025 spending to determine the appropriate allocation of the income tax revenues to the Debt Service, Street, Police and Capital Improvements funds. The current allocation rates are listed below along with the proposed 2025 allocation rates. The legislation setting these rates are being presented to Council at the same time the annual appropriation ordinance is presented to Council for approval.

Fund	FY 2024	FY 2025
201 – Street Fund	45.00%	43.25%
208 – Police Fund	45.00%	47.25%
301 – Capital Improvements Fund	1.50%	1.50%
401 – Debt Service Fund	8.50%	8.00%

- **Iron Filter Replacement Project** – We continue to work with the Administration and the Utility department to arrange funding for the Utility Water Plant Iron Filter Replacement project. This project is expected to cost approximately \$3.5 million, and we are planning to borrow the funds for the project. We are currently proposing the issuance of 1-year Bond Anticipation Notes (BANs) to maximize our funding flexibility. It is possible that we may receive some OPWC grant/loan funding in the future, and we would use those funds to repay the notes. If we don't receive 3rd-party funding, we would likely structure the transaction as a 7-year bond or loan. We would anticipate closing the transaction on or before December 18, 2024, which would provide the needed funding for the 2025 CIP project. The project expenditures and the resulting debt service have both been included in the 2025 budget.
- **Supplemental Appropriation** – I have prepared a supplemental appropriation ordinance for consideration and a 3rd reading by Council at the October 21st meeting. No changes have been made to the ordinance since the legislation's 2nd reading at the October 7th meeting. Due to the property tax and income tax revenues greatly exceeding projections, the costs of collection and revenue sharing distributions with the school districts are greater than planned. This ordinance will provide the additional appropriation authority to permit the city to post the expenses to the ledger. Also, we are correcting the appropriations for the Iron Filter Replacement project. Initially, it was planned for the project to be funded via a bank loan which would be recognized in the Water Capital Improvements fund. Since we are instead issuing BANS, the appropriate posting to the ledger would be in the Water Bond Improvements fund. Additionally, we need additional appropriations to recognize the costs of issuance (bond counsel, underwriter, etc.).
- **Finance Director Vacation** – I will be visiting family in Cape Coral, Florida and will not be attending the October 21st Council meeting. Please feel free to email or call me with any questions on the budget or other topics.