Finance Committee Meeting
Tuesday, October 19, 2021 - 5:00 PM
AGENDA

1. Call to Order
2. Action on Minutes
   a. September 21, 2021
3. Finance Director Reports
   a. Director Reports
   b. Bank to Book
4. Part-time employee consideration for Street Department
5. Bed Tax Consideration
6. Water & Sewer Rate Review
7. GAAP conversation & Asset valuation quotes
8. Budget Review 2022: Updates/Q&A
9. Other Business
10. Adjourn

2021 Committee Goals

1. Multi-year CIP Plan; Manager to provide quarterly
2. Get Budget Stabilization Fund back to $500,000
3. Keep water sewer & rate increase to less than five percent
4. Meet annual budget deadlines

Finance Committee
Tuesday, September 21, 2021 - 5:00 PM
MINUTES

1. Call to Order

Committee Chair Benjamin Lee called the Finance Committee meeting for September 21, 2021 to order at 5:00 pm

Members Present - Ben Lee, Mayor Chip Dutcher, Cheryl Robertson
Absent - None

Staff present - Jim Lenner, Jack Liggett, Marvin Block, Dana Steffan, Bailey Klimchak, Deputy Chief Smart, Teresa Monroe.

Public present - Grant Halsy (Software Solutions)

2. Action on Minutes

a. August 17, 2021

ACTION:	Chip Dutcher moved to Approve; Cheryl Robertson seconded and all were in favor.
AYES:	Benjamin Lee, Chip Dutcher, Cheryl Robertson
NOES:	None
ABSTAIN:	None

Passed 3 - 0

3. Software Solutions Presentation & Discussion

Grant Halsy with Software Solutions (SSI) was present to give an overview of an option for software upgrade to Visual Intelligence Portfolio (VIP) for committee consideration; the village currently uses the older version EGov at an annual cost of $17,000. Mr. Halsy reviewed module upgrades for finance and utility billing.Cost for full version is $175,000, the scaled back version is $115,000; annual cost for cloud storage $36-37,000, without the cloud $23-$24,000. Discussion and questions answered on differences in the versions, function, integration with other department software and costs. Staff conversation to continue on what level of service is needed, ultimate capital expense, desire to go to the cloud, how each piece would integrate with what we currently have to understand total ROI.

2021 Committee Goals

1. Multi-year CIP Plan; Manager to provide quarterly
2. Get Budget Stabilization Fund back to $500,000
3. Keep water sewer & rate increase to less than five percent
4. Meet annual budget deadlines

4. Finance Director Reports

   a. Bank to Book Recon

      Noted a couple checks outstanding to follow up on; all else within the six month allowable.

   b. Director reports

      Dana Steffan noted the General Fund will be under by about $78,000, will need an additional appropriation, mainly due to the increase in health care and health care premiums and costs; sewer and water also needed some money for the same reasons, street fund good and transfer set could be reduced saving money in the General Fund. Legal expenses will need to be increased. Ms. Steffan said that we have come nowhere near expending engineering fees budgeted so a good portion should rollover into 2022. Mr. Lenner added there is an outstanding Economic Development agreement that will have some General Fund ramifications once executed.

   c. October: Water/Sewer Rate Discussion (From early 2021)

      Ms. Steffan said she would take another look once she gets budget in a good spot. Jack Liggett said to keep in mind we are about to spend six to seven million dollars at the water plant and probably seven to nine million at the sewer plant, to keep in mind over the next three years. Smaller yearly increases to rates are better than one large one.

5. Review Finance Legislation for Consideration

   a. Ordinance 38-2021

      Review of the Ordinance and context from Finance Director; discussion on appropriation items; line item for Raise Grant Contractual Services increased to the full $35,000 approved to avoid further appropriation later.

6. Planning and Zoning

   Discussions within the Planning and Zoning Department and the number of things going on have prompted a look at bringing in someone else to the department in 2022 and possibly the balance of this year. Cost for bringing in an additional employee. for the remainder of the year is roughly $18,000. Finance Director said with things moving around and extra expenses with personnel she does not feel comfortable at this time with moving forward in 2021 but will build in to the 2022 budget. Discussion on 2021 revenues; committee decision to advertise moving forward with a January 1 start date.

ACTION:	Benjamin Lee moved to begin advertising for that position for a start date of January 1 and building that into the budget assumption; .Cheryl Robertson seconded and all were in favor.
AYES:	Benjamin Lee, Chip Dutcher, Cheryl Robertson
NOES:	None
ABSTAIN:	None

Passed 3 - 0

Jim Lenner said this will be a different position and will need to build the description for "Zoning Administrator".

7. Bed/Event Space Tax

   Finance Director Dana Steffan to do some more research on what is allowed, moved to an October agenda item. Mr. Lenner noted this is a tax to the user, not on the business.

8. Prelim Budget Discussion - Assumptions in Draft

   Discussion on assumptions for 2022 budget. Income tax; businesses coming and going or expanding, home building etc.; budget projection $2.5 million. Continued assumptions discussed for Finance Director to build in; Tree Commission budget, personnel new positions, potential Council pay increase, Utility Billing Clerk moving to full time, bonded funds that have a time to spend requirement, equipment needs (generator etc.), saving for city status responsibilities on paving and projects.

9. Other Business

   No further business.

10. Adjourn

ACTION:	Benjamin Lee moved to Adjourn; Chip Dutcher seconded and all were in favor.
AYES:	Benjamin Lee, Chip Dutcher, Cheryl Robertson
NOES:	None
ABSTAIN:	None

Passed 3 - 0

Meeting adjourned at 6:22 pm

Village of Johnstown
Administrative Offices
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VILLAGE OF JOHNSTOWN, OHIO

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Finance Director's Report to Council
October 19th, 2021

1. Tax Revenue. Total Income Tax revenue collected through September 2021 was $1,975,569. This represents 87% of 2021 Budgeted Income Tax revenue of $2,270,400, and a 22.4% increase from 2020 collections for the same period.

   The largest source of the Village's income tax revenue, withholding taxes derived from individuals working in Johnstown, increased 23.5%, individual returns increased 17.8%, and business net profits increased 49.3% as compared to the same period in 2020.

   The table below illustrates the Village's September YTD income tax revenue from 2017 through 2021. All three categories are at their highest levels in Johnstown history:

	2017	2018	2019	2020	2021
Withholding	$ 715,925	$ 768,382	$ 838,260	$ 858,547	$ 1,060,433
Individual	$ 518,068	$ 623,689	$ 692,822	$ 624,888	$ 736,005
Net Profit	$ 158,524	$ 120,224	$ 126,194	$ 119,971	$ 179,131
Total	**$ 1,392,517**	**$ 1,512,295**	**$ 1,657,276**	**$ 1,603,406**	**$ 1,975,569**

   Withholding taxes have increased every year from 2015-2021; this can be attributed to an increase in the number of jobs and increased pay rates in Johnstown.

   Individual income tax collections continue to rise, despite the effects of the COVID-19 pandemic.

   The **2021 Net Profit** revenue is at its highest. Key businesses driving this increase include Atrium, Washington Auto Parts, M G Abbott Inc, and CRC Metal Products.

2. Revenues and Expenditures. See attached spreadsheets for 2021 year-to-date revenue collections and expenditures.

   Notes on Revenue:

   General Fund – Real Estate Tax – Total collections exceed budget by $39k, and we will receive an additional $17k from the State before year-end (likely in October).

   General Fund, Shared Taxes – The current expectation for total receipts is $103,394, surpassing the $85,000 budgeted amount.

General Fund, Permits, Fines & Licenses –Zoning permits collected YTD are $59,683 ($30,000 budgeted for the year) due to the many New Build zoning fees collected thus far, as well as a $19,100 preliminary plot application for Concord Rd area.

General Fund, Interest – Year-to-date interest revenue is low due to losses in Q1, offset slightly by small gains in Q2.

General Fund, Misc – $15,000 was donated in June for the Mobility hub concept. $18,000 was received for goods sold on online auction throughout the year. We are expecting a $10,000 donation in Q3 from the Energy Co-op as part of their commitment to granting $30k over three years for the trailhead shelter house project.

Street Construction / State Highway Funds – Both are slightly lower than budget due to the loss of revenues for the Gasoline tax as a result of COVID-19 and its impacts on travel. In 2020 we budgeted $300,000 and received $267,454, a shortfall of $32,546. The 2021 budgeted amount is also $300,000. At this time, we are projecting a shortfall of $26,000 in 2021 for the Gasoline Excise Tax. Motor Vehicle Registration revenue was budgeted at $96,750 in 2021. Currently we are projecting a surplus of $21,500. With community growth, new homes & residents, we will likely see this line continue to increase in the future. Note that the General Fund will be supplementing Fund 2011 with $90,000 to help pay salaries and other expenses this year.

Right-of-Way Fund should begin to see revenues from our utility providers in the coming months.

5101 Water Operating YTD collections include a $60,000 contract payment from New Day Farms. Without this payment, our collections are 92% of budget. Water rents continue to be higher than normal, which is likely due to new residents moving into the newly built homes and lawn watering. It is apparent that the water/sewer rate allocation needs to be revisited, which will be discussed at the Finance Committee meeting on 10/19.

5201 Sewer Operating same comment as above referring to higher than normal usage. Note that bulk sewer hauling receipts were reclassed from this fund to Sewer Enterprise Improvements in September. These receipts will be posted directly to Sewer Enterprise Improvements going forward.

Water/Sewer Improvements Funds have each collected >100% of their respective budgets due to ninety-five (95) new homes & one (1) new commercial building permitted YTD. Each new build home brings in $7,400 into the Water Improvements Fund, and $7,400 into the Sewer Improvements Fund. New Day Farms has also paid $199,880 in bulk sewer hauling YTD. Note that these payments were reclassed to this fund from Sewer Operating Fund in September. They will be posted directly to Sewer Enterprise Improvements going forward.

Water/Sewer Debt Service Funds the allocation of these payments (along with the Operating payments) will be revisited and discussed at 10/19 Finance Committee meeting.

Enterprise Deposit Fund has collected >100% of its annual budget due to the high number of new homes permitted this year.

Notes on Expense:

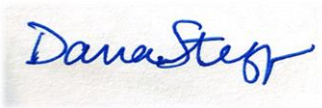
General Fund, Economic Development has $30,000 remaining for the CIC contributions (2020 & 2021). An application for tax exemption under IRS Code 501(c)(4) was submitted in September; notice of acceptance has not been received yet.

General Fund, Legislative Activities is 87% spent as a result of legal fees. An appropriation will be necessary before year-end (on tonight's agenda).

3. Conversion to GAAP Financials. As a city, we are required present our financials based on generally accepted accounting principles (GAAP basis). Currently, our financials are presented on the cash basis. The difference between these two bases is quite significant, it would be extremely difficult & time-consuming to do so on my own. There are accounting firms that specialize in such a conversion, and I have interviewed two separate firms. I plan to discuss options/costs with the Finance Committee on 10/19. Note that our audit costs will also increase significantly. This conversion is required to happen for the 2021 Financial Statements even though we became city-certified late in 2021.

4. Asset Valuation. As part of the conversion to GAAP Financials, our capital assets (roadways, infrastructure, capital equipment, etc.) must be valued and presented on a Balance Sheet. I have a quote from one Asset company and hope to have another soon. Assets must be valued as of 1/1/2021 even though we did not get our city certification until later in 2021.

Respectfully Submitted,



Dana Steffan, CPA
Finance & Human Resources Director

Village of Johnstown Financial Report

Revenues

as of *9/30/2021*

A/C	Sub-Fund	2021 Expected Revenues	Actual Revenues	
1000	Real Estate Tax	$ 265,000	$ 304,090	114.75%
1000	Income Tax	$ 2,270,400	$ 1,975,569	87.01%
1000	Shared Taxes	$ 90,300	$ 69,225	76.66%
1000	Charges for Services	$ 150	$ 265	176.67%
1000	Permits, Fines, & Licenses	$ 228,700	$ 180,791	79.05%
1000	Interest	$ 25,000	$ 595	2.38%
1000	Miscellaneous	$ 28,000	$ 37,962	135.58%
1000	Other Financing Sources	$ -	$ 4,486	
1000	**Total General Fund**	**$ 2,907,550**	**$ 2,572,983**	88.49%
2011	**Total Street Construction & Repair**	$ 462,810	$ 278,399	60.15%
2021	**State Highway & Improvement**	$ 23,940	$ 16,805	70.19%
2901	**Mayor's Court - Computer**	$ 1,000	$ 770	77.00%
2906	**Restricted Police Grants**	$ 2,000	$ 7,181	359.03%
2907	**Right-of-Way Fund**	$ 30,000	$ 2,864	9.55%
5101	**Water Operating**	$ 639,750	$ 648,814	101.42%
5201	**Sewer Operating**	$ 833,750	$ 516,985	62.01%
5701	**Water Replacements & Improvements**	$ 308,000	$ 711,240	230.92%
5702	**Sewer Replacements & Improvements**	$ 370,000	$ 1,158,575	313.13%
5721	**Water Debt Service**	$ 430,000	$ 429,739	99.94%
5722	**Sewer Debt Service**	$ 414,000	$ 286,054	69.10%
5781	**Enterprise Deposit**	$ 40,500	$ 62,767	154.98%
9904	**Mayor's Court**	$ 80,000	$ 48,429	60.54%
	TOTAL ALL FUNDS	**$ 6,543,300**	**$ 6,741,603**	103.03%

Village of Johnstown Financial Report

Expenditures

as of *9/30/2021*

A/C	Sub-Fund	2021 Appropriations	Actual Expenditures	
110	Police	$ 1,272,447	$ 930,646	73.14%
130	Street Lighting	$ 65,000	$ 46,757	71.93%
210	Public Health	$ 19,500	$ 18,729	96.04%
310	Recreation Department	$ 38,450	$ 24,673	64.17%
410	Zoning	$ 154,382	$ 111,765	72.40%
490	Economic Development	$ 42,000	$ 12,000	28.57%
710	Administration	$ 512,091	$ 294,294	57.47%
715	Legislative Activities	$ 123,665	$ 109,478	88.53%
720	Mayors Court	$ 95,513	$ 64,060	67.07%
725	Finance Department	$ 84,301	$ 69,185	82.07%
730	Lands & Buildings	$ 108,200	$ 96,901	89.56%
740	County Auditor (Property Tax Collection)	$ 6,000	$ 4,850	80.84%
745	State Auditor	$ -	$ -	#DIV/0!
755/760	Income Tax Administration	$ 72,000	$ 57,947	80.48%
	Other Uses of Funds & Transfers	$ 716,900	$ 577,209	80.51%
1000	**Total General Fund**	**$ 3,310,449**	**$ 2,418,494**	**73.06%**
	Street Maintenance & Repair			
	Street Cleaning, Snow Removal			
	Traffic Signs & Signals			
	Sidewalks (Capital outlay)			
2011	**Total Street Construction & Repair**	**$ 516,013**	**$ 345,612**	**66.98%**
	State Highway Maintenance			
	Street Cleaning, Snow & Removal			
	Traffic Signs & Signals			
2021	**State Highway & Improvement**	**$ 22,500**	**$ 9,890**	**43.96%**
2901	**Mayor's Court Computer**	**$ 1,000**	**$ 953**	**95.28%**
2903	**Budget Stabilization Fund**	**$ 60,000**	**$ 22,587**	**37.65%**
2905	**Leafy Dell Traffic Improvement Fund**	**$ 31,781**	**$ 31,781**	**100.00%**
2907	**Right of Way Fund**	**$ 9,000**	**$ 5,910**	**65.67%**
3101	**Debt Service Fund**	**$ 490,000**	**$ 100,394**	**20.49%**
4901	**Capital Projects**	**$ 1,863,808**	**$ 748,095**	**40.14%**

Village of Johnstown Financial Report

Expenditures

as of *9/30/2021*

A/C	Sub-Fund	2021 Appropriations	Actual Expenditures	
4902	**Capital Projects - US62**	**$ 153,400**	**$ 478**	**0.31%**
5101	**Water Operating**	**$ 837,003**	**$ 586,938**	**70.12%**
5201	**Sewer Operating**	**$ 954,429**	**$ 623,250**	**65.30%**
5701	**Water Replacements & Improvements**	**$ 4,452,623**	**$ 1,342,745**	**30.16%**
5702	**Sewer Replacements & Improvements**	**$ 2,603,320**	**$ 391,954**	**15.06%**
5721	**Water Debt Service**	**$ 396,600**	**$ 139,336**	**35.13%**
5722	**Sewer Debt Service**	**$ 481,500**	**$ 202,621**	**42.08%**
5781	**Enterprise Deposit**	**$ 36,000**	**$ 33,954**	**94.32%**
9904	**Mayor's Court**	**$ 85,000**	**$ 52,270**	**61.49%**
	TOTAL ALL FUNDS	**$ 16,304,427**	**$ 7,061,748**	**43.31%**

Bank / Account	Balance
Fifth Third Securities	3,192,149.90
Park General X9082	250,000.00
Park Payroll X9085	(781.20)
Water & Sewer X2587	16,178.15
Park Sweep X2608	12,581,608.64
Mayor's Court X9848	14,202.40
Total All Bank Accounts	**16,053,357.89**
Outstanding Checks	(26,989.15)
BALANCE PER BANK	**16,026,368.74**
Book Balance:	16,032,697.87
Variance:	**6,329.13**

Reconciling Items

Q2 Unbooked Investment Income

Fifth/Third Securities	$	(4,255.01)	*to be booked in Oct 2021*
Park National Bank	$	804.48	*to be booked in Oct 2021*

Water & Sewer Variances:

Various posted receipts, did not clear bank	$	(740.06)	*timing*
Lockbox receipt cleared bank, not posted	$	217.16	*timing*
Water payments received in bank, not posted	$	223.36	*timing*

General Variances:

check clearing variances	$	(0.61)	

Payroll Variances:

OPERS employee deductions, will clear bank in next month	$	3,997.64	*timing*
OP&F employee deductions, will clear bank in next month	$	3,004.61	*timing*
various city tax & other deductions	$	-	
IRS deposit / Medicare Match	$	(9,580.70)	*timing*

Total Reconciling Items	**$**	**(6,329.13)**
unidentifed variance	*$*	*(0.00)*

Check No.	Check Amount	Check Date
6031	$307.15	9/17/2021
6035	$150.00	9/17/2021
6036	$319.02	9/17/2021
14559	$37.00	3/12/2021
14642	$97.99	4/8/2021
14644	$81.75	4/8/2021
14649	$134.51	4/8/2021
15091	$15.45	8/5/2021
15093	$83.30	8/5/2021
15140	$375.00	8/19/2021
15167	$111.78	8/26/2021
15194	$98.20	9/3/2021
15195	$5.77	9/3/2021
15200	$16.13	9/3/2021
15201	$49.10	9/3/2021
15207	$27.04	9/3/2021
15239	$1,486.64	9/16/2021
15256	$100.00	9/16/2021
15265	$93.54	9/23/2021
15266	$299.99	9/23/2021
15268	$15,000.00	9/23/2021
15270	$730.21	9/23/2021
15272	$3,210.80	9/23/2021
15283	$15.00	9/23/2021
15287	$512.33	9/23/2021
15295	$1,559.00	10/1/2021
15296	$112.00	10/1/2021
15297	$89.75	10/1/2021
15298	$512.82	10/1/2021
15299	$1,357.88	10/1/2021

Total O/S Checks at 9/30/21:
$26,989.15