JOHNSTOWN
Established 1813

Finance Committee Meeting
Tuesday, September 15, 2020 - 5:00 PM
AGENDA

1. Call to Order
2. Action on Minutes
   a. August 18, 2020
3. Review Director Report - August
   a. September 15, 2020
4. Review Bank-to-Book Reconciliation - August
5. Budget Update - COVID-19 Estimated available funds - Projection sheet
6. Bonded and Borrowed Monies - Updated Project Spreadsheet (Jim)
7. CARES Act Funding (Current "Spend" status / Important dates per disbursement round)
   a. Round 1 - Disbursement Status (by line item)
   b. Round 2 - Total for Village
   c. Round 3 - Total Expected after House passage
8. Other Committee's Finance Line Items for review
   a. Parks and Rec
   b. Safety and Service
9. Delinquent Water Accounts - Update
10. Other Business
11. Adjourn

Finance Committee
Tuesday, August 18, 2020 - 5:00 PM
MINUTES

1. Call to Order

   Benjamin Lee called the virtual Finance Committee meeting for August 18, 2020 to order at 5:03pm

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

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

   Public present - None

2. Action on Minutes

   a. July 21, 2020

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. Finance Director Report

   a. Finance 8-18-20

   Finance Director Dana Steffan provided her Director Report in the packet; in review she noted not much has changed since last month with regard to the sources of taxes and amount collected; as of August (not seen in this report) starting to see the income tax come up. The Audit is not yet approved by the Auditor of State. Mr. Lee noted the last two months the village has not received disbursement for the Permissive Motor License Fund; Dana will continue to follow up.

4. Bank to Book Reconciliation

   a. 8-18-20

   Some discussion on a couple outstanding checks; review of water refund processes.

5. Updated Estimated Available Funds View (Dec 2019 Budget View vs. Covid-19 Est. Budget View)

Finance Director sent report to Committee Members

Because the decision was made not to move forward with the Hannahs Park restroom at this time, there was discussion on moving a portion of the $60,000 in CIP to other items needed.

6. CAD Funding

a. CAD Project

Chief Haroon reviewed his report providing an overview on CAD Project 2020 and uniform estimates. Report detailed "money in" (CARES Act funds, body camera funds, surplus from staffing shortage, grant for body armor) versus "money out" (CAD, dispatch upgrades, uniform needs); conclusion was a shortage of approximately $9,303.00 for what is needed. Committee in agreement that the shortage would be covered, discussion to continue on where it would come from.

7. Parks Committee Finance Items

a. Shelter House Grants

Two Grants were received to cover the $40,000.00 cost of constructing a shelter house at the Trailhead Park; $30,000 from Operation Roundup (to be received over three years in increments of $10,000 each) and $10,000 from the Mary E. Babcock Foundation. Bailey Klimchak said her and Jack Liggett have already begun the process for the shelter house construction; when the last two $10,000 grant increments are paid, the village would pay itself back. Mr. Lee asked how the village planned to pay the additional $20,000 that it would get over the next two years. Mr. Liggett said they were planning to use the money for the Hannahs Park restroom since that was defined as rec center money.

b. Parks and Recreation maintenance funds

The Park and Rec Committee also requested $15,000 for cleanup of brush and trees at the Trailhead Park.

ACTION:	Benjamin Lee moved to reallocate the $60,000 toward Hannahs Park restroom as follows: $10,000 to back-fill Police Department needs relative to CAD and uniforms, $20,000 toward the shelter house construction with the expectation that the next two years $10,000 per year grant money would be back-filled into CIP, and that $15,000 goes to the park for Trailhead cleanup, so $45,000 expended and $15,000 left over as balance. Cheryl Robertson seconded and all were in favor.
AYES:	Benjamin Lee, Cheryl Robertson
NOES:	None
ABSTAIN:	None
	Passed 2 - 0

8. Delinquent Water Accounts - August Trend Review

Data is a bit convoluted at this point in time due to today being shutoffs, all residents in jeopardy of shutoff were contacted prior, those with hardship are able to make a plan for repayment.

9. Other Business

1. Finance Director has sent the 2021 Budget timeline to Council members; Special Council/Finance Committee/Safety & Service Committee meeting called for October 6, 2020 at 5:00 pm.
2. Committee reviewed legislation on tonight's Council agenda.
3. Mr. Lenner updated that as of last month, New Day has met their committed gallons for wastewater for the entire year, approximately seven months, the contract has been adhered to. Bids open for the water line on Thursday.

10. Adjourn

ACTION:	Cheryl Robertson moved to Adjourn; Benjamin Lee seconded and all were in favor.
AYES:	2
NOES:	None
ABSTAIN:	None
	Motion to adjourn passed 2 - 0

Meeting ended at 5:47 pm

Village of Johnstown
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VILLAGE OF JOHNSTOWN, OHIO

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Finance Director's Report to Council
September 15th, 2020

1. Tax Revenue. Total Income Tax revenue collected through August 2020 was $1,456,886. This represents 66% of 2020 Budgeted Income Tax revenue of $2,205,000, and a 4.4% decrease from 2019 collections for the same period.

   The largest source of the Village's income tax revenue, withholding taxes derived from individuals working in Johnstown, increased 2.6% while individual returns decreased 11.2%, and business net profits decreased by 10.5% as compared to the same period in 2019. The larger gaps in collections are beginning to close as compared to earlier in the year.

   The graph below illustrates the Village's YTD income tax revenue through August 31 each year from 2016 through 2020:

	2016	2017	2018	2019	2020
Withholding	$ 599,172	$ 638,889	$ 681,549	$ 747,487	$ 767,277
Individual	$ 458,447	$ 487,004	$ 582,329	$ 651,482	$ 578,245
Net Profit	$ 87,199	$ 151,902	$ 119,499	$ 124,457	$ 111,365
Total	**$ 1,144,818**	**$ 1,277,794**	**$ 1,383,377**	**$ 1,523,427**	**$ 1,456,886**

   Withholding taxes continue to increase every year since 2015; this can be attributed to an increase in the number of jobs and increased pay rates in Johnstown. While several companies have reported withholding decreases from the prior year (e.g., Landmark Global $12k, Defense Finance $5k, Bleckmann $5k, Steel Ceilings $4K, Tech Int'l $4K), there were many that reported increases (e.g., Crow Works $9K, Apeks $7k, Ghostwriter $5k, ODOT $4k). Overall, the increases outweighed the decreases when compared with 2019.

   Individual income tax collections are higher when compared with 2016 & 2017, but down compared to 2018 & 2019. Increases are related to both population and economic growth. The current year decrease is likely related to the COVID-19 pandemic and the 2-month delay of 2019 tax filing deadline.

   The 2020 Net Profit revenue is down primarily due to several companies reporting losses, including an $18K refund for Thirty-One Gifts, a $21k decrease at Porter Pizza Box, and a $13K decrease reported by Atrium Apparel Corp. These and other losses were partially offset by increases reported by: Apeks $20k, Key Cuts $6k, Continental Office Furniture $3k, and numerous others.

   Currently Johnstown is experiencing a 4.4% decrease overall when comparing total income tax collections in 2020 compared to 2019. RITA has recently reported that they have seen collections across the State at a 17% decrease from the prior year, therefore Johnstown's revenues are doing comparatively well.

2. Revenues and Expenditures. See attached spreadsheets for 2020 year-to-date revenue collections and expenditures.

Notes on Revenue:
General Fund, Real Estate Tax – 100% of the real estate tax has been distributed by the County.

General Fund, Miscellaneous – $20K was received in August for trailhead shelter house donations.

Street Construction & Repair and State Highway & Improvement Funds are both slightly lower than budget. This is expected given the COVID-19 pandemic and related economic decline, as well as the temporary closure of the Bureau of Motor Vehicles. In the past two months, the Gas tax and motor vehicle registration revenues have significantly increased as compared to disbursements earlier in the year, which is a sign that these are ramping back up to pre-pandemic collections.

Permissive Motor License Fund – A check for the requested amount was received from the County Engineer's office in August.

Sewer Operating Fund $742,500, or 96.5% of the revenue budget has been collected through August. Of this, $240,195 was related to bulk sewer hauling for New Day Farms and Trillium Farms. Without these collections, we have received 65% of revenue budget.

Water/Sewer Improvements Fund has collected 100%+ of their respective budgets due primarily to Bond proceeds and forty-nine (49) new homes permitted YTD through August. Of the Bond proceeds, $5.77M was for Water Projects and $1.5M for Sewer Projects.

Water Debt Service Fund is higher than budget due to $22K in extra bond retirement proceeds that were generated from the sale of Bonds.

Mayor's Court collections are low compared to budget, but have picked up considerably in August with the recommencement of court.

Notes on Expense:

General Fund, Public Health is 100% spent as this is paid via the real estate tax distribution, which is now 100% completed.

General Fund, Recreation Dept is only 36% spent. $8k was budgeted for a ped counter which hasn't been purchased yet, $5k was budgeted for river clean up and Raccoon Creek planning, $0 has been spent of those items. $6K was budgeted for miscellaneous expenses and none was spent.

General Fund, Zoning is 52% spent. $50k was budgeted for Design regs of which only $22,500 was spent to-date. $10K budgeted for Tree City, $0 spent.

Debt Service Fund. The bulk of these payments are scheduled to occur in December.

Capital Projects. Only 10% spent due to the increase in revenue for the Bond issuance. This increased the budgeted revenue by $1,360,000, and these funds will be spent throughout the year or re-appropriated in 2021.

Water & Sewer Replacement & Improvement Funds are barely spent due to the appropriations related to the new enterprise center on Duncan Plains Road. $360k is appropriated for Water lines, $930k is appropriated for sewer lines. Additionally, $5,75M in water projects and $1.5M in sewer projects were bonded and appropriated, to be spent in 2020 or re-appropriated in 2021.

3. Police Cruiser Financing. Ordinance 28-2020 is on Council's agenda tonight to approve the financing of $50,000 over 3-years to pay for the purchase of a new police cruiser. The tax-exempt interest rate is 3.05% and bond counsel fee is $500. Semi-annual payments will be around $8,800.

4. OPERS pickup Resolution. Resolution 2020-32 will statutorily approve the fringe benefit pickup for the Assistant Village Manager. The resolution that was passed on August 18th is not sufficient for OPERS; Res 2020-32 is in compliance with the laws of the State of Ohio and amenable for this benefit.

5. 2021 Budget. Budget season is in full swing and department directors are actively working on requests for 2021 funds. Budget worksheets are due to me by 9/15, and a first draft will be sent to Finance Committee by 9/22.

6. Employer withholding and COVID-19. The Coronavirus-related relief legislation passed earlier this year by the Ohio General Assembly provided that work being done by an employee remotely or at home, because of the State of Emergency, is deemed to be performed at the employee's principal place of work. As a result of this provision, employers continue to withhold tax for their employees' principal place of work municipality, even while employees are working from home or different location. On July 2, 2020 a lawsuit was filed in the Franklin County Common Pleas Court challenging the constitutionality of this provision. The suit was filed against the City of Columbus by the Buckeye Institute, a Columbus employer, and three of its employees. In general, the suit alleges that it is unconstitutional to require the employees, working at home outside of Columbus, to continue to pay Columbus income tax, and that it is improper to require the employer to withhold these taxes. RITA is closely watching the progress of this litigation for any potential impact on employer withholding and will provide updates as needed. Our law director is also paying attention to this lawsuit. I will be sure to share any significant developments. ***9-15-2020 UPDATE:*** *A motion to dismiss was filed asking that the Columbus city Auditor be dismissed from the lawsuit, however no response or ruling has occurred as of yet.*

Respectfully Submitted,

Dana Steffan

Dana Steffan, CPA
Finance & Human Resources Director

Village of Johnstown Financial Report

Revenues

as of *8/31/2020*

A/C	Sub-Fund	2020 Expected Revenues	Actual Revenues	
1000	Real Estate Tax	$ 265,000	$ 263,070	99.27%
1000	Income Tax	$ 2,205,000	$ 1,456,886	66.07%
1000	Shared Taxes	$ 90,300	$ 60,978	67.53%
1000	Charges for Services	$ 150	$ 155	103.33%
1000	Permits, Fines, & Licenses	$ 218,700	$ 153,499	70.19%
1000	Interest	$ 9,000	$ 27,420	304.66%
1000	Miscellaneous	$ 66,348	$ 109,067	164.39%
1000	Other Financing Sources	$ -	$ -	
1000	**Total General Fund**	**$ 2,854,498**	**$ 2,071,075**	72.55%
2011	**Total Street Construction & Repair**	$ 373,500	$ 222,318	59.52%
2021	**State Highway & Improvement**	$ 23,890	$ 13,647	57.12%
2101	**Permissive Motor License Fund**	$ 45,000	$ 45,000	100.00%
2901	**Mayor's Court - Computer**	$ 1,000	$ 410	41.00%
2906	**Restricted Police Grants**	$ 2,000	$ -	0.00%
2907	**Right-of-Way Fund**	$ 30,000	$ -	0.00%
2909	**State Pass Through Grants**	$ 49,621	$ 49,621	100.00%
5101	**Water Operating**	$ 765,375	$ 505,532	66.05%
5201	**Sewer Operating**	$ 769,375	$ 742,500	96.51%
5701	**Water Replacements & Improvements**	$ 5,933,000	$ 6,006,507	101.24%
5702	**Sewer Replacements & Improvements**	$ 1,720,000	$ 1,826,661	106.20%
5721	**Water Debt Service**	$ 227,833	$ 161,889	71.06%
5722	**Sewer Debt Service**	$ 381,151	$ 237,126	62.21%
5781	**Enterprise Deposit**	$ 40,500	$ 37,047	91.47%
9101	**Unclaimed Monies**	$ -	$ -	
9904	**Mayor's Court**	$ 80,000	$ 39,770	49.71%
	TOTAL ALL FUNDS	**$ 13,296,742**	**$ 11,959,103**	89.94%
	# Amended Appropriations			
			89.94%	
			percentage received to date	

	A	B	C	D	E	J
1	**Village of Johnstown Financial Report**					
2						
3	Expenditures					
4						
5	*as of*	*8/31/2020*				
6				**2020**	**Actual**	
7	A/C	**Sub-Fund**		**Appropriations**	**Expenditures**	
8	110	Police		$ 1,082,477	$ 638,811	59.01%
9	130	Street Lighting		$ 65,000	$ 42,990	66.14%
10	210	Public Health		$ 18,500	$ 18,500	100.00%
11	310	Recreation Department		$ 50,620	$ 18,129	35.81%
12	410	Zoning		$ 175,759	$ 91,521	52.07%
13	490	Economic Development		$ 27,000	$ 16,190	59.96%
14	710	Administration		$ 421,104	$ 234,379	55.66%
15	715	Legislative Activities		$ 91,636	$ 73,077	79.75%
16	720	Mayors Court		$ 83,828	$ 52,539	62.67%
17	725	Finance Department		$ 81,301	$ 55,892	68.75%
18	730	Lands & Buildings		$ 93,700	$ 77,112	82.30%
19	740	County Auditor (Property Tax Collection)		$ 7,000	$ 4,779	68.27%
20	745	State Auditor		$ 6,000	$ 6,000	100.00%
21	755/760	Income Tax Administration		$ 72,000	$ 45,595	63.33%
22		Other Uses of Funds & Transfers		$ 761,000	$ 440,708	57.91%
23	1000	**Total General Fund**		**$ 3,036,925**	**$ 1,816,222**	**59.80%**
24						
25		Street Maintenance & Repair		[redacted]		
26		Street Cleaning, Snow Removal				
27		Traffic Signs & Signals				
28		Sidewalks (Capital outlay)				
29	2011	**Total Street Construction & Repair**		**$ 456,803**	**$ 272,043**	**59.55%**
30						
31		State Highway Maintenance		[redacted]		
32		Street Cleaning, Snow & Removal				
33		Traffic Signs & Signals				
34	2021	**State Highway & Improvement**		**$ 13,700**	**$ 6,218**	**45.39%**
35						
36	2101	**Permissive Motor License**		**$ 45,000**	**$ 44,659**	**99.24%**
37						
42	2901	**Mayor's Court Computer**		**$ 1,200**	**$ 1,049**	**87.42%**
43						
46	2903	**Budget Stabilization Fund**		**$ 20,000**	**$ 18,084**	**90.42%**
47						
50	2905	**Leafy Dell Traffic Improvement Fund**		**$ 10,000**	**$ -**	**0.00%**
51						
52	2906	**Restricted Police Grant Fund**		**$ 1,000**	**$ 1,000**	**100.00%**
53						
54	2907	**Right of Way Fund**		**$ 38,000**	**$ 34,396**	**90.52%**
55						

Village of Johnstown Financial Report

Expenditures

as of *8/31/2020*

A/C	Sub-Fund	2020 Appropriations	Actual Expenditures	
2909	Cares Act Fund	$ 49,621	$ 10,768	21.70%
3101	Debt Service Fund	$ 448,000	$ 71,570	15.98%
4901	Capital Projects	$ 1,475,000	$ 168,500	11.42%
4902	Capital Projects - US62	$ 182,883	$ 28,743	15.72%
5101	Water Operating	$ 800,013	$ 472,466	59.06%
5201	Sewer Operating	$ 797,529	$ 456,155	57.20%
5701	Water Replacements & Improvements	$ 6,460,000	$ 271,626	4.20%
5702	Sewer Replacements & Improvements	$ 2,690,000	$ 96,231	3.58%
5721	Water Debt Service	$ 479,000	$ 25,819	5.39%
5722	Sewer Debt Service	$ 395,100	$ 177,021	44.80%
5781	Enterprise Deposit	$ 36,000	$ 19,046	52.91%
9101	Unclaimed Monies	$ -	$ -	
9904	Mayor's Court	$ 85,000	$ 32,944	38.76%
	TOTAL ALL FUNDS	$ 17,520,775	$ 4,024,560	22.97%