JOHNSTOWN
Established 1813

Finance Committee Meeting
Tuesday, June 16, 2020 - 5:00 PM
AGENDA

1. Call to Order
2. Action on Minutes
    a. May 19, 2020
3. Finance Director Report
    a. June 16, 2020
4. Budget Trends Discussion re: Director Report
5. Bank to Book Reconciliation
    a. May 2020
6. SB310/HB481 Updates - Webinar
7. HB 163 Discussion - House Passage to Senate
8. Water Accounts / Non-payment updates
    a. June 2020
9. Income Tax delinquency letter program (zero cost)
10. CAD system for PD (Chief Haroon)
    a. Director report
11. Plant (replace) two trees on Parkdale Drive (use Tree City funds?)
12. Other Business
13. Adjourn

Johnstown Council
Finance Committee
Minutes of the meeting May 19, 2020 5:00 pm
(Virtual)

Meeting came to order at 5:00 pm; Committee members present: Chairman Lee, Robertson, Dutcher

Staff present: Jim Lenner, Dana Steffan, Jack Liggett, Chief Haroon, Bailey Klimchak, Jim Blair, Marvin Block, Carol Van Deest Teresa Monroe

Public present: Dudley Wright

Action on minutes: April 21, 2020

Mr. Dutcher moved to approve the minutes, Mr. Lee seconded and motion carried 2-0 with one abstention.

Finance reports: Dana Steffan provided her director's reports, Items of note; an $18,000 refund was received from BWC and the bond money has been received into village account. Still operating on assumption of a twenty percent decrease in total revenue for the year; reviewed items on the bank to book reconciliation.

2020 Income trends / Budget callouts: Review of Ordinance 15-2020 on tonight's council agenda. Ms. Steffan said the County Auditor requested this as the past budget was over-appropriated $27,000 in the Capital Improvements line for the US62 turn lane project; money was appropriated in 2020 but a portion was paid in late 2019 which caused the 2020 ending budget balance to be negative, this ordinance corrects that and will be sent to the County Auditor when passed.

CARES Act / COVID-19 fund designation: Discussion on creating a new fund or account for money received from the Federal Government for reimbursement of COVID-19 expenses; Finance Director said we expect to receive about $46,000 dollars. Committee indicated they would like to keep a separate account to track invoices and expenses and money coming in and going out, a separate line item in the budget that can be reviewed. Mr. Block noted the Ohio Legislative Service Commission directs that money received is to be deposited into a dedicated fund and must be used solely for the purpose describe in the Federal CARES Act, it will be audited by the State to ensure revenue is used properly; cited S.B. 310. Ms. Steffan said she would look up and make sure to comply on whether or not a separate fund is required.

Water account / Non-payment updates: Review of statistical data on delinquent payments, Utility Billing is tracking monthly and provided data showing twice as many accounts unpaid than is average but no large "balloon" between April and May on what is owed versus what has been paid, will continue to monitor.

$20K Tech upgrade from New Day: Discussion on how money will be used. Ms. Robertson said she would like to use a portion for professional website design to free up Mr. Lenner from spending any more time on it; a new quote can be requested for the design and should be lower as most of the content has already been completed by Jim. Committee discussed getting examples by way of an RFP and identifying a budget.

Motion: Mayor Dutcher moved to put out an RFP with a max of $5,000 for the website (from the New Day Tech upgrade money), Mr. Lee seconded; motion carried 3-0.

Mayor Dutcher brought up previous discussions on i-pads for council with all the virtual meetings during this time, said Staples has Chromebooks for $219.00 which would be less expensive than i-pads. Mr. Lenner said this could be submitted as an expense under the CARES Act.

Motion: Mr. Lee moved to order nine HP Chromebooks not to exceed $2,100.00; Mr. Dutcher seconded and motion carried 3-0.

Civic Plus Suite vs iWorQ platforms: Discussion continued on the different platforms of each company for GIS mapping, work orders and mass emergency notification system; comparison spreadsheet provided. Notification system CivicReady will continue on the ninety day trial but focus landed on the iWorQ platforms for GIS data collection and mapping and asset management with work orders. Final iWorQ proposal reviewed; cost is $32,500 set up and $10,500 annually; balance of $15,000 from the New Day tech money will be paid toward the set up cost and the annual fee will be split evenly between water/sewer/street departments.

Motion: Mr. Lee moved to go forward with the iWorQ applications for GIS asset management, work orders and facility management with the $35,000 set up cost, $10,500 annual cost and a finance ordinance to show the $15,000 offset from the New Day appropriation; Ms. Robertson seconded and the motion carried 3-0.

Mr. Block noted the $20,000 from New Day was for the sewer plant accepting an increase in ammonia content; Mr. Liggett said they are currently taking it in with no problem, that it did take space out of the waste water plant but there is no immediate need for an upgrade and the money being made off of the waste water income, Jack said he would like to see set aside and within five years the processing unit could be upgraded; the plant will be expanded totally on the income of the New Day project.

Conversation on financial commitment will carry over to council meeting tonight where Mr. Lee said he would request a motion of the balance of Council for verbal commitment and to provide assurance to the vendor. An appropriation ordinance could then be introduced at next council meeting; no payment is due until July 1st.

Staff to continue review of platforms for CivicReady (notification system) and CivicClerk (agenda management) within the ninety day free trial.

Other business

1. Quote for PD rifles: Chief Haroon said the figure he came up with was $4,200 but given circumstances and current budget restraints he does not think it is a good idea to go forward at this time, believes he can stretch out current rifle stock to the officers on shift; but would like to revisit this at a later date and time when more fiscally sound.

2. Recycle containers: Conversation tabled as meeting short on time.

3. New Police vehicle for Chief has been ordered, Ford just opened their doors back up so it could be three to six months before we take physical possession.

4. Mr. Lee noted all should continue to keep H.B.163 on the radar. Mr. Lenner noted that is the water service cap legislation and that the OML Director is confident it will not go anywhere until after summer recess which then puts us into Lame-Duck in the fall.

Adjourn: Mr. Lee moved to adjourn, Mayor Dutcher seconded. Motion carried 3-0; meeting adjourned at 6:25 pm.

Village of Johnstown
Administrative Offices
www.johnstownohio.org

VILLAGE OF JOHNSTOWN, OHIO

599 S. Main Street
Johnstown, Ohio 43031
Telephone: 740-967-3177
Fax: 740-967-6415

Finance Director's Report to Council
June 16th, 2020

1. Tax Revenue. Total Income Tax revenue collected as of May 31, 2020 was $877,425. This represents 40% of 2020 Budgeted Income Tax revenue of $2,205,000, and a 12.5% 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 4.6% while individual returns decreased 23.5%, and business net profits decreased by 55.7% as compared to the same period in 2019. With the deferral of 2019 individual and net profit income tax returns until July 15th, 2020, it is reasonable that we see a decline in these categories as compared to prior years.

   The graph below illustrates the Village's YTD income tax revenue through 5/31 each year from 2016 through 2020:

	2016	2017	2018	2019	2020
Withholding	$ 401,292	$ 404,372	$ 436,681	$ 483,255	$ 505,512
Individual	$ 259,055	$ 283,297	$ 366,761	$ 440,663	$ 337,126
Net Profit	$ 64,240	$ 126,208	$ 55,641	$ 78,607	$ 34,787
Total	**$ 724,587**	**$ 813,878**	**$ 859,083**	**$ 1,002,525**	**$ 877,425**

   The 2020 Net Profit revenue is down due to an $18K refund paid in 2020 related to tax year 2018 for Thirty-One Gifts, a $26K decrease reported by Atrium Apparel Corp, and a $9K decrease reported by Atrium Real Estate LLC. Also noteworthy is a $6k increase in net profit reported by CVS Pharmacy which partially offsets the other decreases.

   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 $8k, Tech Rubber $7K, Tech Intl. $5K), there were many that reported increases (e.g., Crow Works $7K, Apeks $6k, MG Abbott $5K, Ghostwriter $4k). Overall, the increased outweighed the decreases when compared with 2019.

   Individual income tax collections are up 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 delay of 2019 tax filing until July 15th. It is likely that Johnstown will realize a decline of around 25% of tax revenues among all categories due to the economic environment and the COVID-19 pandemic.

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

   Notes on Revenue:
   <u>Permits, Fines & Licenses</u> – Mayors Count fines are lower than expected at this time due to the cancellation of Mayors Court in March, April & May (note that Court resumed as of 6/11). Engineering pass throughs have only collected 30% of budget.

Miscellaneous Revenue includes $20K payment in lieu of taxes from New Day Farms, $44K OPWC reimbursement for Kasson Street Project (this is reimbursement for previously paid CT engineering invoices and maximizes OPWC funds for Engineering), and BWC refund of $18k which was not budgeted.

Street Construction & Repair and State Highway & Improvement Funds are both 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. Will continue to monitor throughout the year.

Sewer Operating Fund $424,136, or 55% of the revenue budget has been collected through May. Of this, $136,832 was from New Day for bulk sewer hauling. Collections are at 37% without the New Day Bulk hauling revenue.

Water/Sewer Improvements Fund has collected 100% of their respective budgets due primarily to Bond proceeds received on May 19th and twenty-six (26) new homes permitted YTD through May. 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.

Notes on Expense:
General Fund, Recreation as of May 31, was 1% spent. Spending will ramp up with the warmer weather, although may be less than budget due to temporary park closures.

General Fund, Zoning as of May 31, was 30% spent. Projects budgeted within this line are Design Regs ($50K, of which $8,300 has been spent YTD), Tree City fees ($10K, of which $0 has been spent).

General Fund, Legislative as of May 31 was 68% spent due primarily to $29K spent on legal invoices. Note that $17k of this will be reimbursed from insurance. This account may require an increase in appropriations prior to year-end.

General Fund, Land & Buildings full payment made in March for P&C Insurance.

Permissive Motor License Fund has been 99% spent due to the purchase of the Hot Patch road repair machine. The funds ($45,000) have been requested of the County engineer's office but not yet received.

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.

3. The 2018-2019 Financial Audit was scheduled for the week of June 1. The auditors were on site for 2.5 days. I have not received any feedback or results at this time.

4. The Coronavirus Aid, Relief, and Economic Stability (CARES) Act was passed by Congress; the State of Ohio is requiring that all cities, municipalities, townships, etc. pass a resolution to conform with the Federal mandates attached to this Act, or the entity will not be eligible to receive funds. See Resolution 2020-16.

Respectfully Submitted,

Dana Steffan, CPA
Finance & Human Resources Director

Village of Johnstown Financial Report

Revenues

as of *5/31/2020*

A/C	Sub-Fund	2020 Expected Revenues	Actual Revenues	
1000	Real Estate Tax	$ 265,000	$ 140,268	52.93%
1000	Income Tax	$ 2,205,000	$ 877,425	39.79%
1000	Shared Taxes	$ 90,300	$ 36,439	40.35%
1000	Charges for Services	$ 150	$ 105	70.00%
1000	Permits, Fines, & Licenses	$ 218,700	$ 76,230	34.86%
1000	Interest	$ 9,000	$ 17,490	194.33%
1000	Miscellaneous	$ 28,000	$ 83,537	298.35%
1000	Other Financing Sources	$ -	$ -	
1000	**Total General Fund**	**$ 2,816,150**	**$ 1,231,494**	43.73%
2011	**Total Street Construction & Repair**	$ 373,500	$ 139,330	37.30%
2021	**State Highway & Improvement**	$ 23,890	$ 8,956	37.49%
2101	**Permissive Motor License Fund**	$ 45,000	$ -	
2901	**Mayor's Court - Computer**	$ 1,000	$ 240	24.00%
2906	**Restricted Police Grants**	$ 2,000	$ -	0.00%
2907	**Right-of-Way Fund**	$ 30,000	$ -	
5101	**Water Operating**	$ 765,375	$ 292,397	38.20%
5201	**Sewer Operating**	$ 769,375	$ 424,136	55.13%
5701	**Water Replacements & Improvements**	$ 183,000	$ 5,887,485	3217.20%
5702	**Sewer Replacements & Improvements**	$ 220,000	$ 1,672,730	760.33%
5721	**Water Debt Service**	$ 205,500	$ 104,471	50.84%
5722	**Sewer Debt Service**	$ 375,000	$ 142,404	37.97%
5781	**Enterprise Deposit**	$ 40,500	$ 20,052	49.51%
9101	**Unclaimed Monies**	$ -	$ -	
9904	**Mayor's Court**	$ 80,000	$ 16,333	20.42%
	TOTAL ALL FUNDS	**$ 5,930,290**	**$ 9,940,028**	167.61%

Village of Johnstown Financial Report

Expenditures

	A	B	C	D	E	J
5	*as of*	*5/31/2020*				
6				**2020**	**Actual**	
7	A/C	**Sub-Fund**		**Appropriations**	**Expenditures**	
8	110	Police		$ 1,082,477	$ 393,629	36.36%
9	130	Street Lighting		$ 65,000	$ 27,034	41.59%
10	210	Public Health		$ 18,500	$ 9,322	50.39%
11	310	Recreation Department		$ 49,620	$ 691	1.39%
12	410	Zoning		$ 175,759	$ 54,014	30.73%
13	490	Economic Development		$ 27,000	$ 16,190	59.96%
14	710	Administration		$ 401,104	$ 183,127	45.66%
15	715	Legislative Activities		$ 68,636	$ 46,429	67.65%
16	720	Mayors Court		$ 83,828	$ 35,027	41.78%
17	725	Finance Department		$ 81,301	$ 40,722	50.09%
18	730	Lands & Buildings		$ 92,700	$ 70,061	75.58%
19	740	County Auditor (Property Tax Collection)		$ 7,000	$ 2,926	41.80%
20	745	State Auditor		$ 6,000	$ -	0.00%
21	755/760	Income Tax Administration		$ 72,000	$ 27,724	38.51%
22		Other Uses of Funds & Transfers		$ 761,000	$ 267,226	35.12%
23	1000	**Total General Fund**		**$ 2,991,925**	**$ 1,174,122**	**39.24%**
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**		**$ 437,470**	**$ 172,734**	**39.48%**
30						
31		State Highway Maintenance		[redacted]		
32		Street Cleaning, Snow & Removal				
33		Traffic Signs & Signals				
34	2021	**State Highway & Improvement**		**$ 13,700**	**$ 4,702**	**34.32%**
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**	**$ -**	**0.00%**
53						
54	2907	**Right of Way Fund**		**$ 23,000**	**$ -**	**0.00%**
55						

	A	B	C	D	E	J
1	**Village of Johnstown Financial Report**					
2						
3	Expenditures					
4						
5	*as of*	*5/31/2020*				
6				**2020**	**Actual**	
7	A/C	**Sub-Fund**		**Appropriations**	**Expenditures**	
56	3101	**Debt Service Fund**		**$ 448,000**	**$ 54,755**	**12.22%**
57						
58	4901	**Capital Projects**		**$ 60,000**	**$ -**	**0.00%**
59						
60	4902	**Capital Projects - US62**		**$ 182,883**	**$ 27,912**	**15.26%**
61						
62	5101	**Water Operating**		**$ 790,680**	**$ 329,600**	**41.69%**
63						
64	5201	**Sewer Operating**		**$ 788,196**	**$ 273,420**	**34.69%**
65						
66	5701	**Water Replacements & Improvements**		**$ 710,000**	**$ 99,549**	**14.02%**
67						
68	5702	**Sewer Replacements & Improvements**		**$ 1,190,000**	**$ 66,456**	**5.58%**
69						
70	5721	**Water Debt Service**		**$ 479,000**	**$ 25,819**	**5.39%**
71						
72	5722	**Sewer Debt Service**		**$ 395,100**	**$ 177,021**	**44.80%**
73						
74	5781	**Enterprise Deposit**		**$ 36,000**	**$ 10,722**	**29.78%**
75						
76	9101	**Unclaimed Monies**		**$ -**	**$ -**	
77						
78	9904	**Mayor's Court**		**$ 85,000**	**$ 18,624**	**21.91%**
79						
80		**TOTAL ALL FUNDS**		**$ 8,708,154**	**$ 2,499,228**	**28.70%**

Bank / Account	Balance
Fifth Third Securities	3,188,573.88
Park General X9082	250,000.00
Park Payroll X9085	22,592.03
Water & Sewer X2587	36,845.70
Park Sweep X2608	12,672,942.60
Mayor's Court X9848	12,242.58
Total All Bank Accounts	**16,183,196.79**
Outstanding Checks	(50,859.99)
BALANCE PER BANK	**16,132,336.80**
Book Balance:	16,089,313.09
Variance:	**(43,023.71)**

Reconciling Items

Q2 Unbooked Investment Income				
	Fifth/Third Securities	$	29,310.68	*to be booked in July 2020*
	Park National Bank	$	1,861.98	*to be booked in July 2020*
Water & Sewer Variances:				
	Various posted receipts, did not clear bank (May 2020)	$	(891.91)	*timing*
	Lockbox receipt cleared bank, not posted (May 2020)	$	867.24	*timing*
	check clearing variance	$	0.05	
General Variances:				
	Credit on pass-through engineering	$	(11.12)	
	Check #12970 bank clearing errer	$	101.30	
Payroll Variances:				
	OPERS employee deductions, will clear bank in next month	$	7,382.69	*timing*
	OP&F employee deductions, will clear bank in next month	$	3,876.30	*timing*
	Municipal taxes deducted but not yet paid	$	401.50	*timing*
	Police Officer's Foundation deduction, not yet paid	$	125.00	*timing*
Sweep Account:				
	Excess funds are swept daily at midnight from these 2 accounts into the Sweep Account; they do not appear in the Sweep Account until several hours later, creating a timing difference at the end of each month for the last days' sweeps.			
	Water & Sewer			*timing*
	General			*timing*
Total Reconciling Items		**$**	**43,023.71**	
unidentifed variance		*$*	*0.00*	

6/10/2020 3:30 PM

Outstanding Checks	Check No.	Check Amount	Check Date
	5703	$1,175.25	5/1/2020
	5712	$1,233.04	5/15/2020
	5720	$217.12	5/15/2020
	5721	$1,638.89	5/29/2020
	5722	$1,156.11	5/29/2020
	5724	$2,708.94	5/29/2020
	5725	$1,024.48	5/29/2020
	5727	$76.00	5/29/2020
	5728	$539.36	5/29/2020
	5729	$16.28	5/29/2020
	12811	$82.54	11/5/2019
	12946	$58.47	12/5/2019
	13035	$134.51	1/10/2020
	13133	$103.04	2/5/2020
	13162	$615.20	2/13/2020
	13292	$615.20	3/26/2020
	13323	$84.98	4/8/2020
	13392	$134.51	5/8/2020
	13421	$33.05	5/14/2020
	13424	$2,086.58	5/14/2020
	13433	$17,708.02	5/22/2020
	13434	$476.00	5/22/2020
	13443	$150.00	5/22/2020
	13449	$263.58	5/22/2020
	13450	$101.01	5/22/2020
	13451	$9,360.00	5/22/2020
	13456	$2,198.69	5/28/2020
	13457	$111.92	5/28/2020
	13458	$60.00	5/28/2020
	13459	$512.00	5/28/2020
	13460	$33.35	5/28/2020
	13461	$13.71	5/28/2020
	13462	$255.00	5/28/2020
	13463	$3,964.00	5/28/2020
	13464	$199.87	5/28/2020
	13465	$498.45	5/28/2020
	13466	$995.83	5/28/2020
	13467	$225.01	5/28/2020

Total O/S Checks at 5/31/20:
$50,859.99

SHUT OFF REPORT DATE	NUMBER OF CUSTOMERS PAST DUE	PAST DUE AMOUNT	TOTAL DUE ON ACCOUNT	COMMENTS
3/17/2020	99	$ 8,387.26	$ 14,680.96	1st mo. No shut off due to coronavirus.
4/14/2020	125	$ 11,201.88	$ 19,391.97	2nd mo. No shut off due to coronavirus.
4/17/2020	104	$ 9,381.34	$ 16,106.77	I ran report again just to see who paid since 4-14.
DIFFERENCE between 4-14 and 4-17 reports	-21	$ (1,820.54)	$ (3,285.20)	21 past due customers paid since 4-14-20.
4/21/2020	96	$ 8,613.75	$ 14,651.67	Ran report today at Ben's request.
DIFFERENCE between 4-14 and 4-21 report	-29	$ (2,588.13)	$ (4,740.30)	29 customers paid since 4-14-20
4/24/2020	84	$ 7,746.83	$ 13,863.08	
DIFFERENCE between 4-14 and 4-24 report	-41	$ (3,455.05)	$ (5,528.89)	41 customer paid since 4-14-20
4/30/2020	78	$ 7,146.11	$ 13,315.90	
DIFFERENCE between 4-14 and 4-30 report	-47	$ (4,055.77)	$ (6,076.07)	46 customer paid since 4-14-20
5/15/2020	123	$ 15,732.19	$ 27,965.44	
5/19/2020	76	$ 8,911.36	$ 13,970.08	
6/15/2020	91	$ 11,622.53	$ 17,517.05	DAY BEFORE ACTUAL SHUT OFF
6/16/2020	82	$ 8,519.24	$ 16,234.68	DAY OF SHUT OFF
PREVIOUS 3 MONTH SHUT OFF DATA PRIOR TO COVID19				
FEB. 2020	19	$ 1,710.33	$ 3,438.28	
JAN. 2020	37	$ 2,457.24	$ 5,478.11	
DEC. 2019	35	$ 2,343.85	$ 5,747.34	

Johnstown Police Department

Approximately $90,000 in savings from unfilled staff salaries in 2020

2020 POLICE PORGRAMS

Training (Police One Academy)

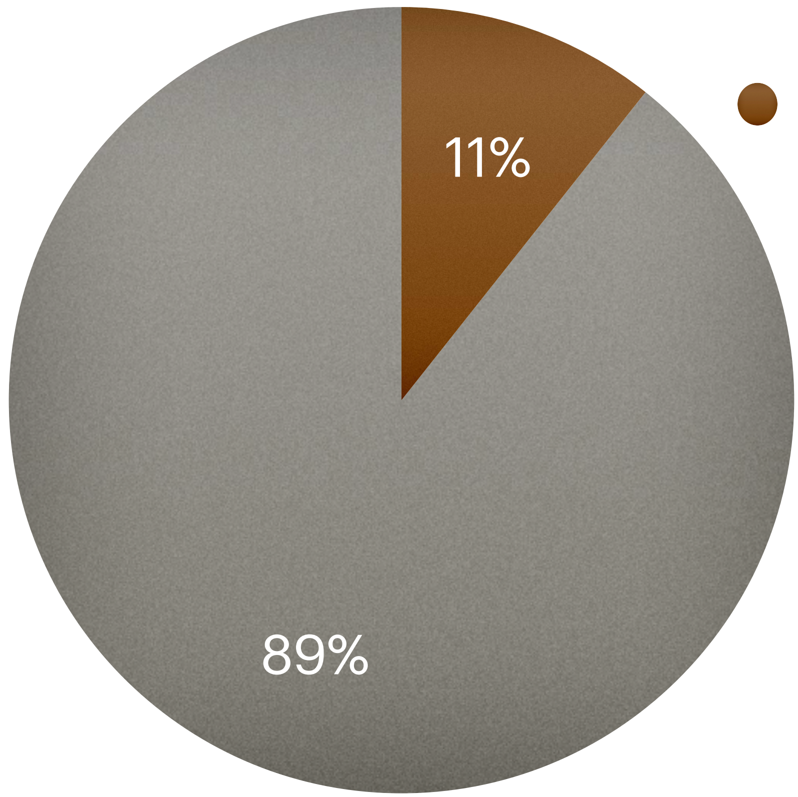
Policies (Lexipol)

Procedures (Lexipol)

CAD (New World)

Uniforms (Galls)

Lexipol Services (currently in use)



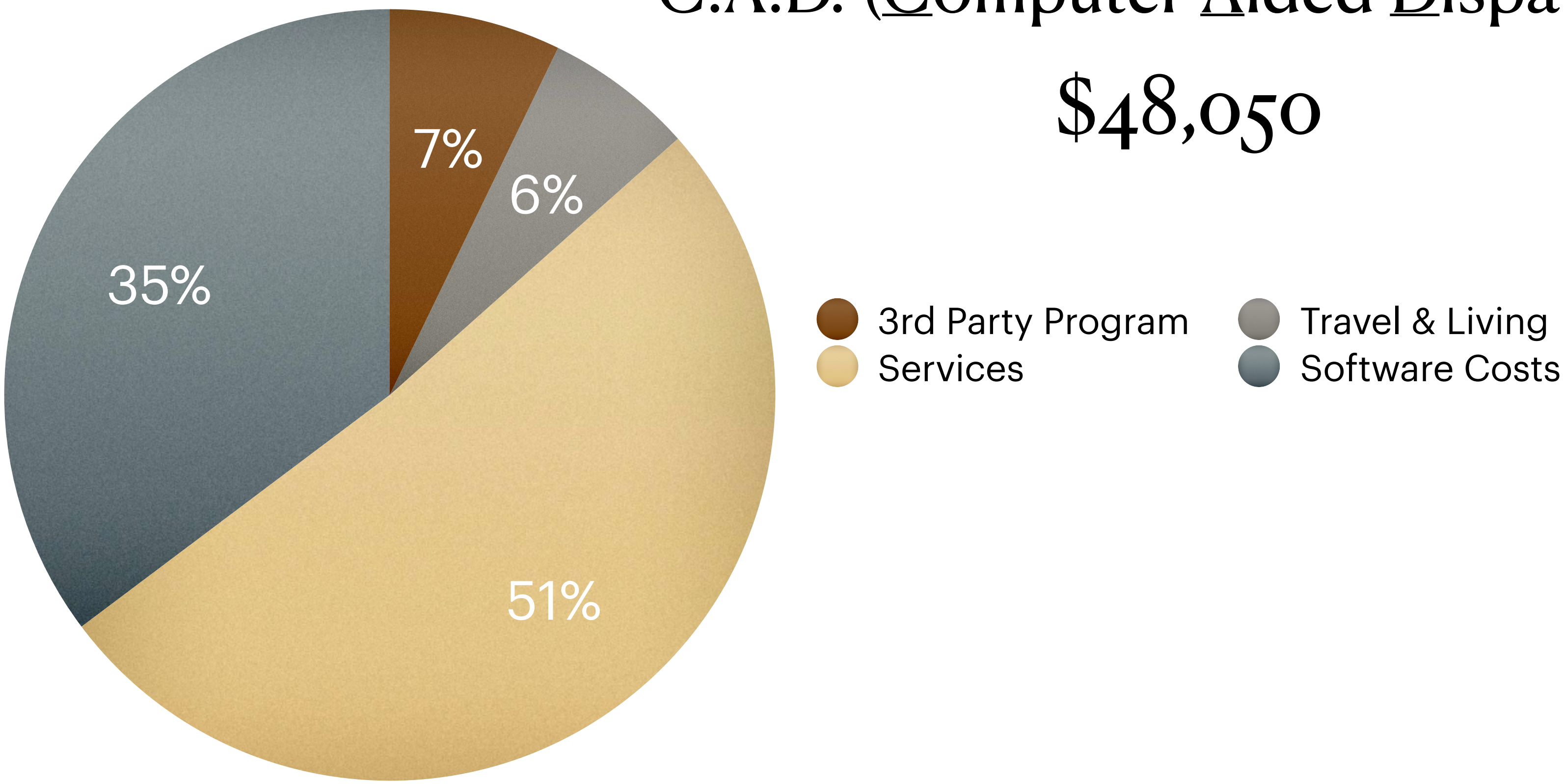
$4,879

$583

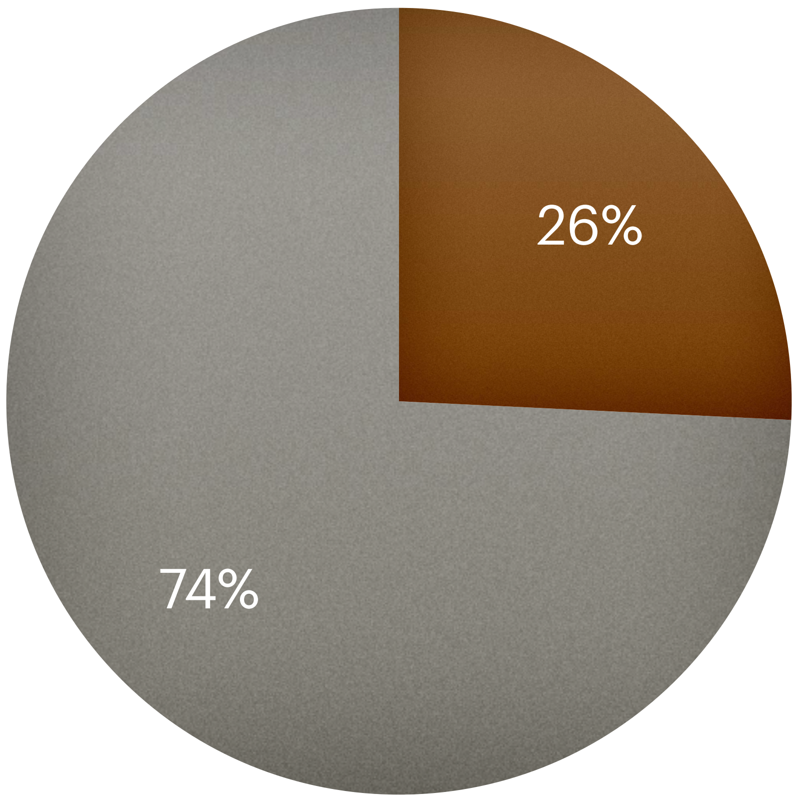
$5,462

C.A.D. (Computer Aided Dispatching)

$48,050



Recurring Costs: $3,045



New Hire Uniform Costs
$3,300

Vest   Other Uniforms Items

Total: $9,900

Total Revenue Needed:

Policies: $5,462

CAD: $48,050

Uniforms: $9,900

Total: $63,412