



James P. Stith II City Auditor

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July 8, 2016

To: Hon. Thomas Williams, Mayor
City of Norwood, Ohio

Subject: Payroll July 2016

Dear Mayor Williams,

As we have discussed and as I have announced at City finance committee and Council meetings, 2016 is projected to be a financially challenging year for many reasons including the fact there is an extra payroll due in 2016. Due to our current cash flow constraints, we do not believe there will be enough cash in the month of July to make all three scheduled payrolls. We expect the payroll due on Friday July 29th will actually be paid on Monday August 1st.

This additional payroll period, which is projected to cost the General Fund \$422,216, is planned to be covered by the incoming property tax revenue which is not expected until the month of August. While we are requesting early payments from the County Auditor's office, there is no way to be certain that an adequate amount of this revenue will be received during the month of July and may instead be seen in August. This delayed payment is a symptom of the City's cash flow problem as noted in my letter of February 4, 2016. At this time we project the scheduled payrolls in August being made on time.

Please understand that it is our objective to meet payroll every pay period but this is entirely dependent upon the City's cash flow and available funds. Meetings with the finance committee will determine which bills will be paid and when with the primary focus on payroll and insurance.

Sincerely,

Jim Stith
Auditor

Cc: Joe Sanker, Chairman Norwood City Council Finance Committee
Norwood City Council
Keith Moore, Law Director
Tim Molony, Treasurer
City of Norwood Department Heads