

## FINANCE COMMITTEE MEETING

January 20, 2022 @ 5:00 p.m.

Members present: Joette Dedden, Connie Miller, Troy Lauffer (joined late)

Staff Present: Kitty Crockett, Finance Director; Jamie Morley, Clerk to Council

Guests Present: Mr. Colvin, Mr. Blankenship

1. Mrs. Miller made a motion to approve the Finance Committee minutes as written for December 16, 2021 and was seconded by Ms. Dedden.

2 Yeas

2. The Committee reviewed the expired contracts with the Mayor's Court Magistrate and Prosecutor. It was discussed to keep the Prosecutor's rate the same but to increase the Magistrate's to be able for him to qualify for OPERS.

Ms. Miller made a motion to present to Council an ordinance to renew the contract for the current prosecutor, Mark Webb, for another two years at the same pay rate and was seconded by Ms. Dedden.

2 Yeas

Mrs. Miller made a motion to present to Council an ordinance to renew Robert Kauffman's contract for another two years and to increase his salary to \$8,600 and Ms. Dedden seconded the motion.

2 Yeas

3. Ms. Crockett updated the Committee on 2021 yearend. She stated that bills have been paid, W2s distributed, and have almost completed closing out 2021. Just have notes for year end in order to roll over completely into 2022.

4. Ms. Crockett began a mini training on municipal and fund accounting.

- She explained that it takes about a year to prepare finances for the upcoming year and described the process as outlined below.

1. The budget for the upcoming year must be to the County Auditor by July 15<sup>th</sup>. This is a guestimate for expenses and revenue for the next year based on previous years.
2. The County Auditor will review the budget and return it. The returned copy will have the certified amounts the Auditor believes the Village will receive for their levies for the upcoming year.
3. By October 1, the Village must adopt the amounts and rates, accepting the numbers returned by the Auditor. Mr. Colvin asked if the Auditor could mess up the finances by under or over estimating numbers. Ms. Crockett explained that the Auditor only provides numbers for the Police

and Street Levy. The rest of the revenue projections are from other sources and based on previous years and trends.

4. Once this is done, the Auditor will issue an Official Certificate. This is basically saying the Village will receive this much money and has appropriated this much, but most importantly agrees that the Village has the funding to cover the proposed expenditures. These are only guestimates based on trends throughout the years. Ms. Crockett stated that she is conservative in her numbers by padding the appropriations and being conservative on guesses for revenue. She also reiterated that the revenue numbers are based on previous years and not numbers pulled out of the air.
  5. Before the year begins, Council will need to adopt temporary appropriations. The appropriations are money the Village plans to spend throughout the year. These are based on previous expenditures and projects planned for the upcoming year. Ms. Crockett stated that she does have several appropriations for contingencies in case an unexpected emergency does occur during the year.
  6. By April 1<sup>st</sup>, permanent appropriations will need to be adopted.
  7. Once the year ends and finances are reconciled, the Village sends the Auditor the final numbers. These are the actual numbers of exactly how much revenue the Village received and how much the Village has spent for that year.
  8. The Auditor will then review it and if everything matches, they will send an Amended Official Certificate.
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5. Ms. Crockett explained that throughout the year she has month end reports, quarter end reports, and then yearend reports. To close out the year she must reconcile all these to make sure the numbers balance and make sure the W2 and payroll taxes and deductions all match.
  6. RITA: Ms. Crockett stated that the Village received an additional 163K from the .25% income tax increase.
  7. Mr. Lauffer joined the meeting.
  8. At this time, Ms. Crockett went over the bank reconciliation reports distributed monthly with her Finance Director's reports. She stated that at the bottom of the sheet are reconciliation notes. These notes are items that have yet to clear at the bank or items cleared at the bank and not yet entered into UAN. Such as credit card payments for water bills that were receipted in on January 31<sup>st</sup> but the bank did not

receive the funds until Feb. 1. Ms. Crockett stated that this is the first thing she checks off when she does the bank rec for the following month. Currently, there has been a note for \$10.45 that the bank has in the Village's account and Ms. Crockett is unable to account for in UAN. She stated she will have to do an audit adjustment.

9. Ms. Crockett explained the Village uses UAN (Uniform Accounting Network) accounting software which is designed by the State Auditor. The amount the Village pays for it is based off the Village's budget and includes a replacement computer and printer every three years. This system is very user friendly and because it is supported by the State Auditor, it makes audit easier and less expensive.
10. At this time Ms. Crockett went over the different reports included in her Finance Director's report.
  - **Fund Status** – This report shows actual cash that is in the bank for each fund. The fund status for a certain fund may be less than what is appropriated for the fund because taxes, rent, or other income sources may not have been received yet.
  - **Resources Available for Appropriations** – This report shows the amount the County Auditor has allowed the Village to appropriate. It includes the estimated revenue the Village is expecting for the year.
  - **Comparison of Budget and Appropriations** – Compares resources available included estimated income and what is appropriated.
  - **Revenue Status** – Keeps track of the amount of revenue the Village takes in over the course of the year and how much was projected. There is a percentage next to each fund showing the percentage of the actual income received of the projected income. By the end of the year each fund should be at least 100%.
11. Mr. Lauffer asked if the Village is saving money for large projects like a new water tower. It was discussed that the Village does have a nice rainy-day fund; There is about 4 million saved. This is like a savings account for the Village in case of a very large project or an emergency. The General Fund is the only fund that can be used for just about any Village expense. Technically money can be moved from the general fund to another fund, but once it is moved it is very hard to move back. It is just best to have a line item in the general fund for a project such as street paving than move the funds to streets. All other funds have caveats on how the money can be spent. Such as the water fund monies must be used for water expenses. The Street Levy can only be used for the management for streets.
12. At this time, the Committee discussed the Village's contribution for the OPWC Grants for Third Street and Franklin. Both grants combined will cost the Village 800K in 2023.

The Committee decided to appropriate half the amount this year and the other half next year. It was also discussed to use 100K out of storm sewer for the project as the projects include replacement of storm sewers.

13. Mr. Lauffer informed the Committee that the initial quote he received for the lights on Main Street are much more than planned. He will get other quotes, but the Committee may need to consider increasing the amount originally planned.

14. Mrs. Miller made a motion to nominate Ms. Dedden for the Chair of the Finance Committee and the motion was seconded by Mr. Lauffer.

2Yeas

15. Mrs. Miller made a motion to adjourn the meeting at 6:20 and all were in favor.