



FINANCE COMMITTEE MEETING MINUTES FEBRUARY 15, 2022

Attendees

Tom Counts, Chairman; Frank Bertone, Committee Member; Heather Karr, Committee Member; Andrew White, City Manager; Rosa Ocheltree, Finance Director; Jeffrey Tyler, Assistant City Manager; Chloe Lanka, Finance Specialist; and Amy Deere, City Clerk.

Call to Order

Tom Counts called the meeting to order at 7:00 p.m.

Approval of Minutes

Minutes of the January 11, 2022 Finance Committee Meeting, were approved by consensus.

Financial Reports – January 2022

Chairman Counts turned the floor over to Finance Director Ocheltree. She began speaking about the Financial Reports for the month of January, 2022, and stated the Total Operating Revenue was in the amount of \$608,494.37, Total Operating Expenditures was in the amount of \$767,987.25, with a Cash Deficiency in the amount of \$159,492.88. She advised the budgeted transfers that were booked in the month, were in the amount of \$463,830.14, with Total Expenditures in the amount of \$1,231,817.39. Excess Deficiency for the month was \$623,323.02, and the Ending year of Unappropriated Funds in the amount of \$8,358,622.80, the Ending Year General Fund Reserve was in the amount of \$1,445,000.00, and the Total Current Year Balance was in the amount of \$9,803,622.80. Committee Member Bertone said he recognized the fact in the first of the year the City does incur a significant amount of transfers. Finance Director Ocheltree stated historically, the January number will be negative primarily due to annual agreements. Committee Member Karr asked regarding KGT and wondered if the amount was for the entire year. City Manager White advised it was and stated the contract was one needing payment upfront. Additionally he mentioned he would be speaking with Law Director Ashrawi about the issue of payment in full, due to the new IT Consultant contract, and it has been an annual renewal since 2006 or 2007.

Finance Work Plan & Reorganization

Finance Director Ocheltree stated it was previously discussed at January's meeting, a work plan for the Finance Department including the Purchasing Policy Review and enhance procurement process. She stated the proposed organizational structure will position the Finance Department to transition from processing transactions to providing robust insight and analytics to the organization, improve process, execute finance work plan, and deploy best practices, improve internal controls and well defined segregation of duties. She proposed an additional position for the Finance Department, Finance Analyst, for which this role would essentially help more with budgets and projects. Chairman Counts asked about segregation of duties and asked if there were certain things that would be split up. Finance Director

Ocheltree stated that this position would include doing cash receipts, the creation of vendors in the system, but limiting what this someone could do in the system, so that fraud may be prevented. Committee Member Bertone asked when she would be looking to fill this new position. She advised that she would promote within and then backfill the Finance Specialist, and looking to do this in the early summer. It was clarified that new position of Finance Analyst would be full-time and the Finance Specialist would begin as part-time, and should the need arise, go to full-time and the full-time status is what is budgeted. Chairman Counts asked if she anticipated an opportunity for her to do more forecasting in the future for revenue, and she advised she could be freed up to do more strategic work and be able to work more with the Department Heads to go over their budgets more frequently.

City Manager White also provided a supplement regarding the cash flow, pertaining to the month of January. He spoke of some information not included such as the \$1.4 million offset anticipated with the ARPA funds. He advised these funds are a resource this Committee could use in planning. He advised the City netted close to \$1.2 million improved cash position from January, 2021. He also stated there is approximately \$3.3 million of unallocated resources. Additionally, \$450,000.00 of the expense the City had in January was transferred into other accounts, so the \$75,000.00 discretionary transfer to the reserve that has typically waited until the end of the year, is off the books. Also, a Worker's Compensation premium was also included in that discretionary transfer.

First Quarter Appropriations

Chairman Counts began discussion on the next topic on the agenda, First Quarter Appropriations. He stated it was anticipated there would be appropriations almost immediately. He turned the floor over to Finance Director Ocheltree. She began with Operations, and stated the Municipal Tax Refunds which were carried over from 2021, are in the amount of \$62,514.00. She then spoke of a budgeting software subscription for \$15,000.00. She advised of Diversity Training in the amount of \$2,000.00. HR Business Partner Nahvi said this training was for Staff and he spoke of the importance of the training in the workplace. He then spoke of the next item, Compensation Study, in the amount of \$11,000.00, and this has not been done since 2014. He stated it is always recommended to have an agency look at the pay scale for all of the 22 positions in the City, not including the contract positions or the Police Department. He added this should be done every two to three years. Finance Director Ocheltree spoke about Training and Travel in the amount of \$2,000.00 for Finance, for she currently does not have a training budget for her department. She went on to the next three items which were related to the Painting, AV Equipment as well as furniture, all for Council Chambers. She added she would be removing \$29,000.00 from the amount for there were funds for the expenditure, bringing the total amount requested for Operations to \$163,014.00. Committee Member Bertone stated the Painting, AV Equipment and furniture were still being discussed in the Operations Committee and an item of \$16,000.00 is now \$18,000.00, and in Operations, there are still questions on that issue. Finance Director Ocheltree stated the amounts of quotes have been changing, but it doesn't mean the City would be spending these amounts, it was just to put these amounts on reserve. Committee Member Bertone stated that he would rather get this matter concluded in the Operations Committee prior to it moving forward in the Finance Committee. Chairman Counts stated although this is the first conversation we are having about these items, you have to go about and look at all of these items in total context, and suggested we put these items in the whole budget to see if it fits. Finance Director Ocheltree stated a final decision was not being made today, and this would have to go to Council for two readings for their approval. City Manager White stated he appreciated the fact of having the appropriations before the Finance Committee without corresponding legislation, is good to have the conversation to the points just eluded to, and then work themselves into a later date to go back to the Operations Committee to refine that number, and this log of appropriations could be modified. He added this was more of a discussion more so than a request. Chairman Counts broke the amounts down, and stated putting aside the renovations for Council Chambers, what was the feeling of the Committee on those appropriations. It was concluded the appropriations were appropriate.

Chairman Counts went onto the Personnel exponent of the First Quarter Appropriations. Finance Director Ocheltree began with the overview of the amounts and gave the personnel total of \$585,448.00. HR Business Partner Nahvi began with the Building Department, and for that department, there were two

requests, one for a Building Inspector and one for a Residential Plans Examiner. He began with the latter and said we would be moving the current Permit Technician position into the Residential Plans Examiner position and backfilling the Permit Technician position. There is a need to improve the service and response time with reviewing plans. The Building Inspector position is needed to help with inspections for the number of projects upcoming and to keep up with the demand of the City. He further went on to the Operations Department and said they were looking to get an Administrative Assistant, and a Public Service Manager. He added the Public Service Manager would report directly to the current Service Director and handle the day to day operations, and this would allow the current Service Director to focus more on the broad planning of the department. The Administrative Assistant would help the department, doing reservations, invoicing, etc. The Public Service Department were also looking to add a Lead Season Position as well as two seasonal positions. Chairman Counts inquired as to the OSU Center and he was assuming should this project begin next year, he was believing this would be utilizing more of the Building Department. Assistant City Manager Tyler agreed and stated not only would there be the need of more commercial inspections, the length of those commercial inspections would be longer. Committee Member Bertone asked how many individuals were reviewing plans today. Assistant City Manager Tyler stated currently, the Building Inspectors are reviewing the residential plans, and they are doing inspections. The Chief Building Official and the one inspector are both doing residential building plan review. The commercial plan reviews are currently being sent out to a contractor and will continue doing so, due to the fact they have to be certified to be a Registered Architect or a Registered Engineer and there is no one on Staff, other than himself, that hold these required credentials. Chairman Counts asked if City Manager White could prioritize what he felt is most essential to the overall effectiveness of the operations of the City. City Manager replied there is prioritization in mind, but he thinks the work that Council has already allocated in terms of some of these resources, we have hit really big issues that he thought were problematic, particularly with HR and most recently with the IT contract which are being looked at, and going further, some of the administrative positions would be helpful in providing good information about these policy elections. Further, he stated he speaks for Staff when there is talk about these issues and these decisions the Committee has to make ultimately, and we are operating without a full deck right now, for we have a set of assumptions that have been built into a revenue model and we will not completely understand what that is until the year is closed. He feels there is a lot of hesitation in terms of timing of that so taking our due diligence and being prepared with a comprehensive prioritization of not just the order, but also of the timing as well due to the significant amount of development that is anticipated that will put a lot of strain on the organization to be able to process those plans. He then spoke about the Capital Improvement Program, and getting that messaging out. He stated that Finance Director Ocheltree has put together a very effective tool for the next five years, where we can safeguard approximately \$29,000,000.00 of public resources being invested in the Capital Improvement Program. Further, having almost \$30,000,000.00 of economic resources, investment income, to put into the infrastructure that really is palpable and would be a demonstrable example to the community of the things we can now start to think about. Chairman Counts stated in the past ten years, the City has budgeted an amount to which at the end of the year, there was always excess cash, and due to that experience and add that to the potential for additional revenue, we shouldn't be so conservative in terms of our revenues to expect this year will be completely different given with what our tax structure is. He added this should be kept in mind when thinking about this.

Purchasing Policy

Finance Director Ocheltree advised the Committee of the revised Purchasing Policy for the Committee's review. She added the last update was in 2013. She stated there was additional language to make sure the different roles and authority are clearly identified as well as raising the authorization threshold to allow the City Manager to enter into contracts without City Council's approval to \$50,000.00, rather than \$25,000.00, which is consistent with the Ohio Revised Code. She added these contracts would still have to come to Council for the approval as an appropriation.

CIP – Policy Discussion

Finance Director Ocheltree stated they were working on updating the proposal that was shown last month and she has met with the Director's and made sure they had an overview. They are currently working on getting a list of potential projects.

Adjournment

Adjourned at 7:26 p.m.

Tom Counts
Chair

Amy Deere
City Clerk