



**FINANCE COMMITTEE  
MEETING MINUTES  
JANUARY 31, 2023**

**Attendees**

Tom Counts, Chairman; Heather Karr, Committee Member; Brad Coomes, Citizen's Representative; Scott Wiley, Citizen's Representative; Jennifer Bonifas, Citizen's Representative; Andrew White, City Manager; Rosa Ocheltree, Finance Director; and Chloe Lanka, Financial Analyst

**Call to Order**

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

**Approval of Minutes**

Minutes of the October 11, 2022 Finance Committee meeting were approved by consensus.

**Financial Reports – December 2022**

Finance Director Rosa Ocheltree reviewed December's financial results. Revenue for the year was at 118.2% of the budget, or \$15.9 million. Expenditures for the year were \$10.7 million, or 83.7% of the budget. This was due to staff turnover. The general fund balance at the beginning of 2022 was \$14.1 million and was \$15.6 million at the end of the year. Finance Director Ocheltree reviewed cost recovery metrics for development and programming fees. Development fees recover costs for the building, development, and engineering departments. The target recovery rate is 50% of expenditures, and the 2022 recovery rate was 54.2%. The target recovery rate for programming fees is 100%, and the actual recovery rate for 2022 was 75.7%. This is due to below target sponsorships coming out of COVID. Finance Director Ocheltree reviewed income tax collections for the year. As of the end of the year, income tax receipts totaled \$13.5 million, a favorable variance of \$6 million compared to the prior year. Income tax receipts were 123.3% of the \$11 million budget.

**Other Business**

Verona Sewer Assessment Update

Finance Director Ocheltree has been working on reviewing the Verona Sewer Assessment. She requested the conversation be deferred. A review of the assessment was provided to the new Citizen's Representatives. Verona residents emphasized that the schedule must be changed this year or citizens will end up paying more than what is owed.

## CIP Funding Policy

Finance Director Ocheltree reviewed the current CIP funding policy that 25% of the prior year municipal income tax collected will go into the CIP fund, and up to 5% of that can be allocated to the CIC. In 2022, the City received \$13.4 million in municipal income tax, so \$3.3 million should go to the CIP fund. However, only \$2,550,000 was budgeted for the transfer. Additional funds will need to be appropriated if the entire amount is being transferred. Chairman Tom Counts pointed out that not all transfers need to be done at the beginning of the year. Finance Director Ocheltree has built a schedule for transfers to ensure the City keeps a positive cash flow in the general fund. Chairman Counts stated that unless Council has discussed changing the amount, the full \$3.3 million should be transferred. City Manager Andrew White stated it may be of benefit to have further conversations before appropriating additional funds. Finance Director Ocheltree stated the committee also needs to discuss the CIC funding and how to determine what the CIC receives. She recommends that they provide their budget every year with an explanation of how they would use the funds. Finance Director Ocheltree stated the City's debt policy also needs to be revised in the future.

## Supplemental Appropriations

Finance Director Ocheltree reviewed appropriations that will be presented to Council. The first was for a demolition grant received last year. Since funds were not encumbered last year, they did not carry over to this year and need to be re-appropriated. Bids are being received and a contract should be issued soon for the demolition of the old carry out.

The next appropriation was for health insurance for a newly hired building department employee. Additional funds are also needed for utilities at 44 N Liberty since the City is now responsible for the building's utilities. The building was being leased when the budget was being built, so no funds were budgeted for utilities.

Funds are also being requested for a co-op with Delaware County to resurface part of Seldom Seen Road. The County is resurfacing the road in their jurisdiction and proposed resurfacing the portion in the City's jurisdiction as well.

Two then-and-now purchase orders will also be presented to Council. The first is related to the 2023 street maintenance program. The funds were available in the fund balance, but the scope of work was changed, increasing the cost for the bikepath work and decreasing the cost for road work. The total is still within the contract amount, but the project was split between two funds, so a then-and-now purchase order must be created to add funds to the bikepath project. The second then-and-now purchase order will be for CTL, who managed the street maintenance program and had increased costs that were discovered when invoices were submitted.

## Use of ARPA Funds

Last year, Council elected to use ARPA funds for government services, planning to reimburse the general fund for public safety personnel expenses. The funds are appropriated as part of the 2023 budget, and the reimbursement can happen through a general journal entry. The City's external auditor confirmed that the entry can be booked since the use was already approved by Council. Finance Director Ocheltree wanted to make sure Finance Committee was comfortable with the transfer occurring. She also wanted to book the transfer in February so it could be part of the City's single audit in April. Chairman Counts approved the transfer.

2024 Budget Calendar

Finance Director Ocheltree presented a draft of the 2024 budget calendar.

Tax Communication

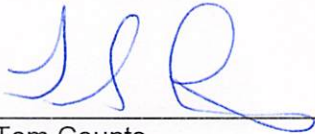
The committee discussed possible tax communication campaigns to remind residents to file.

Next Meeting

The next meeting will be held Monday, February 13.

**Adjournment**

Adjourned at 9:10 p.m.



Tom Counts  
Chair



Amy Deere  
City Clerk

