



**FINANCE COMMITTEE
MEETING MINUTES
JANUARY 30, 2024**

1. CALL TO ORDER / ROLL CALL

Chairperson Heather Karr called the January 30, 2024, Finance Committee meeting to order at 7:00 p.m. Committee members present include Brad Coomes, Citizen Representative; Jennifer Bonifas, Citizen Representative; Tyler Herrmann, Council Representative; Leif Carlson, Council Representative; and Heather Karr, Council Representative. Absent from the meeting included Scott Wiley, Citizen Representative. Staff present included Samantha Borchers, Assistant Finance Director; Rosa Ocheltree, Finance Director; and Andrew White, City Manager. Also present was Mayor Tom Counts.

2. APPROVAL OF MINUTES

- a. Approval of the Minutes from the Finance Committee Meeting held on November 14, 2023.

The Minutes from the Finance Committee Meeting held on November 14, 2023, were approved by consensus.

3. TODAY'S BUSINESS

- a. Finance Committee Orientation

Finance Director Ocheltree provided new members with a binder which includes all financial reports and financial policies that are used to finance the City.

- b. 2023 Financial Review- December Monthly Reports

Finance Director Ocheltree reviewed the financial reports for the month and year ending December 31, 2023. The General Fund cash balance on 12/31/2023 was \$21.1M, which is an increase of \$6.9M from the prior year's end. The unencumbered balance of \$20.1 M is 195% of the % year General Fund revenue average. She provided a quick review of terminology for the new members in which appropriation is related to the budget, cash balance is revenues less expenses, and unencumbered balance is the revenue, less expenses, less purchase orders. The YTD General Fund revenues increased by \$5.5M or 34.2P, compared to December 2022. This increase is driven by the income tax collections in 2023 which were \$3.2M higher than 2022 tax receipts. Other revenue category was inflated by a one-time cash receipt from the ARPA Fund and the interest earnings received in 2023 were higher than anticipated. Expenditures for personnel and operating expenditures were at \$8.9M, which shows an increase of 10.8% from the previous year. This change was in alignment with budgetary increases. Transfers of \$.48M were completed as budgeted, with the majority being transferred into the CIP fund.

Finance Director Rosa Ocheltree showed that across all funds the cash balance is \$36.9M which is an increase of \$7.8M from January 2023. Positive variances related to property

taxes were slightly ahead of the previous year. She reviewed the Fund Balance Policy on excess funds over the fiscally prudent range may be allocated to capital improvements. For the General Fund Cash Flow Analysis compares the month-to-month General Fund Revenue and total General Fund Expenditures. Staff work to have a positive cash flow monthly. 2023 did reflect a positive cash flow for each month.

General Fund Expenditures were reviewed. Personnel was 44% of the budget, with a favorable variance of \$1,054,439. This is due to healthcare savings and turnover and open positions. Operating expenses were 17% of the budget. Savings were primarily captured in contingent expenses, engineering plan review fees and building maintenance. Capital expenses are 52.7% of the budget with a favorable variance of \$724,301. The variance is due to the timing of capital equipment purchases, such as, purchase of salt truck IT software. Some notable activities for the month include income tax collection fees through RITA of \$31,969 and legal services with \$28,655. City Manager White discussed the personnel and in many other cities it is more than 50%. Brad Coomes questioned the vacancy credits of 2022 and without these credits would the City be closer to the 50% threshold that was discussed. Additional information was provided on the summary of expenditures by departments. Finance Director Rosa Ocheltree pointed out that the police department had savings in personnel expenditures as there were several open positions. For cost recovery metrics there is a target recovery rate of 50% for Development Fees. The costs for the Building, Development, and Engineering Departments are covered by development fees collected. Chair Heather Karr questioned if the 50% recovery rate is comparable to other municipalities. City Manager Andrew White discussed looking at best practices, especially related to engineering inspections. She discussed that General Fund Revenues should be leveling out and more stable moving forward. Mayor Tom Counts discussed the revenues and feels some of the increase is related to an increase in working from home. He also discussed net profits income before the income tax changes and multiply it by 2.6 rate, which should show that businesses are growing. Finance Director Rosa Ocheltree commented that in 2022, RITA provided that approximately 15% of withholdings were related to work from home. This number is not available for 2023 yet. She also discussed that there is more filing with the State instead of RITA from businesses.

c. 2023 Finance Department Accomplishments

Finance Director Rosa Ocheltree reviewed a memo which highlighted the 2023 Finance Department Accomplishments. This included the following:

- Amended the investment policy in 2023.
- Adopted the CIP funding policy in 2022 and developed a comprehensive 5-year CIP in CIP.
- Worked with Moody's local government team to update the Moody's Annual Issuer Comment Report for Powell.
- Presented a revised debt management policy to the Finance Committee. The policy is expected to be amended in early 2024.
- Implemented the online operating and CIP budget book.
- Initiated the implementation of a new ERP system. The full implementation will be completed in 2024.
- Implemented a purchasing card rebate program, which generated \$1,812 in 2023.
- Received the following Awards:
 - Ohio Auditor of State Aware with Distinction
 - GFOA's Certificate of Achievement for Excellence in Financial Reporting
 - GFOA's Award of Financial Reporting Achievement – Finance Department

