

FINANCE COMMITTEE MEETING

January 16, 2020

6:00 p.m.

Members present: Joette Dedden, Brian Blankenship, Connie Miller

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

Guests in attendance: Earl Isaacs, Troy Lauffer, Chris Colvin

1. Mr. Blankenship made a motion to appoint Ms. Dedden as Chairperson for the Finance Committee and was seconded by Mrs. Miller.
3 Yeas
2. Mr. Blankenship made a motion to approve the Finance Committee minutes as written for December 19, 2019 and was seconded by Mrs. Miller.
3 Yeas
3. At this time, Ms. Dedden turned the meeting over to Ms. Crockett to give an overview of fund accounting and the Village's finances.
 - Ms. Crockett explained that the finance software the Village uses is UAN (Uniformed Accounting Network) provided by the auditor in State.
 - Funding: The Village receives its funding from levies, services provided, municipal tax, motor vehicle license, permissive tax, gas taxes, cigarette taxes, interest, property taxes, and so on. The tax dollars from the auditor only go into these three funds: general (inside millage), Police Levy (outside millage), and Street levy (outside millage). Any money brought in is considered revenue or income.
 - Fund Status: These show all the funds the Village has. Each fund has a number which are assigned by the state UAN program. Each fund has a cash balance. There is a difference between appropriation and cash. Cash is how much money is in the fund; Appropriation is the amount of money set aside from that fund that can be spent. Ms. Crockett stressed that Council is her boss, however the only authority she has over Council is to not allow money to be spent illegally. The nice thing about UAN is that there are many safeguards to red flag possible findings. The general fund is an all-purpose fund. Anything can be paid out from this fund. The levy funds are restricted and must adhere to the ballot language. Enterprise funds must be spent for those funds (i.e., water cannot pay for pothole repair).

- Revenue Status: The Revenue Status report listed by funds and shows the line items. It breaks the funds down in the program codes (second set of numbers), for example, 110 is property tax. The revenue status shows manually entered numbers of how much revenue the Finance Director believes the Village will receive over the course of the year. Each account has a “guess” of revenue. It is good to underestimate, use numbers from last year, and look at the trends. For 2019, the Village received 132% of estimated revenue.
- Resources Available for Appropriation: This is the projected revenue for the upcoming year. First column is the cash leftover from last year that was unspent + revenue projection = the amount that can be encumbered or appropriated. Appropriation is the expenditure side. It is not good practice to appropriate all cash. It is good to have a large amount saved for emergency repairs.
- Appropriation Status: Shows the amount for the year of how much the Village plans to spend over the year. There are D’s in front of several lines. This stands for Direct and are for payroll items. Lines with a D do not need a Purchase Order. Everything else needs a purchase order in order to spend the appropriated money. Encumbered line shows purchase orders that have been opened in that fund account line (the money is tagged to be spent on something already). Unencumbered shows the appropriated amount left over to be spent in each fund. Final Appropriations is the budget for what the Village thinks will spend including payroll, everyday expenses, and larger projects – 4.3 mill was appropriated for 2020 out of 8.1 mill. Unappropriated money cannot be spent without Council approval and must be approved by the County Auditor with an amended certificate.
- Purchase Orders: All money the Village spends must have a purchase order. There are several types of POs. Regular, super, blanket, and then and now. Ms. Crockett opens several Blanket Purchase Orders at the beginning of the year for staff to use on small repairs and supplies. Each time a staff member uses the blanket, a purple form (purchase request) must be filled out and signed by Chief, Finance Director, and department head. This serves as a checks and balance but also allows for staff to purchase small items such as batteries without opening a single PO.
- Investments: The Village has 1 million in four two-year 250K CDs. These CDs are rotated every 6 months. The Village has about 500K in STAR Ohio account. The Village also has a sweep checking account where all the money except 50K is swept out at the close of business and invested and then in the morning is returned to the account. The Village is on track to make at least 80K in interest for the year on the sweep account alone.

- Budget: The County requires the Village to turn in a budget for the upcoming year in July, this is approved by Council. The County Auditor will then return an Official Certificate that includes the auditor's estimation in taxes the Village should receive the upcoming year. In December, a Year-End Balance Sheet is due to the County Auditor, which includes the total cash left over from the current year added to the estimated budget. The auditor will then return an amended certificate, and this is what Ms. Crockett will work from to do the final appropriations for the Village. This is due to the County Auditor at the end of March.
- At this time the Committee discussed the amount of income that the levies and income tax raise. Ms. Crockett explained that the current street levy does not bring in enough to pave a street. The money used to repair the streets last year came from the general fund. Ms. Crockett stated that the general fund cannot continue to sustain to contribute this every year without tapping into the Village's reserves. It was discussed if Council should consider increasing the income tax or levies. It was decided to revisit this at a future meeting.

4. The meeting was adjourned at 7:24 pm.