

Finance Committee Meeting
Friday, April 15, 2022, 8:30 a.m. Village Hall

Members Present: Chairman Galicki, Councilman Berger, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor Koons

Galicki called the meeting to order and read the roll.

The Fiscal Officer reported that the committee had been emailed information by the Solicitor about the gift policy as it relates to the Ohio Revised Code (ORC). The Fiscal Officer felt there should be a written policy. The Solicitor sent Auditor of State bulletins and the Fiscal Officer explained that the documents indicate an ordinance or resolution is necessary and the gift policy cannot be arbitrary, unreasonable, or incorrect. Additionally, it is only forward looking, and the Solicitor did not think it could be done for members who had already left, Maistros and LaChapelle. The questions provided by the Solicitor were whether it was necessary for a public purpose? Would it be for all boards? Would it pertain to Council members serving as Council representatives of the boards, like Planning Commission? What would the dollar amount be? The Fiscal Officer showed the committee an example of a resolution of appreciation, which is prepared and framed in-house, and costs about \$20 compared to the expense of having it professionally framed.

The Mayor thought the policy should come from HR. The Fiscal Officer added that it was also a Finance Committee matter. Berger asked if the Village had the money to provide a token gift to the individuals. The Fiscal Officer thought so and added that there was an appreciation line item and money budgeted in it. Berger said HR would determine the policy and who qualified, and this would satisfy the rules in terms of public purpose and non-discriminatory etc. Galicki said from a finance perspective, compensated positions did not need a token of appreciation. Berger concurred. Galicki felt it should be for the true volunteers. The Fiscal Auditor raised the issue of Council members being given a framed print. The Fiscal Officer explained that they get a print and are allowed up to \$300 for framing. They also receive a framed proclamation. The Mayor said that this was giving compensated Council members gifts. The Fiscal Officer raised the question of the Solicitor's ruling that Maistros and La Chapelle could not be given gifts but the framing of two prints had been ordered for two former Council members. The Fiscal Auditor said this had been done for 40 years. The Mayor stated that the policy was being violated, and the Fiscal Officer clarified that the Village has no policy. Her point was that if it were to be done for the former Council members then what about the two former board members? Berger thought the two board members needed to be recognized. The Mayor proposed it could be taken out of the Mayor's account, and the Fiscal Officer explained that the Mayor's fund still contained government money and could not be used to avoid the rules. The Mayor stated that on his \$5,000 he does not have any rules. The Fiscal Officer explained that the Mayor must follow the State rules. The Fiscal Auditor clarified that with the Mayor's discretionary fund, he is permitted to spend it without Council's approval, but spending of funds must still follow the law.

The Fiscal Officer added that HR wanted her to purchase \$50 gift cards for the two board members from a local restaurant, but the one individual no longer lived in the area. The Fiscal Officer reiterated that without a policy, they cannot move forward with the gifts to former Council or board members. Berger

reiterated that this needed to be done. The Mayor proposed that over the next month, the individuals be given their Resolutions of Appreciation while HR addresses the matter.

Galicki cited the material provided by the Solicitor, which addressed the arbitrary or unreasonable nature of the gift. The Village had an established practice for 40 years with providing the framed picture to public servants on their departure. Furthermore, under the verbiage, the \$50 restaurant gift card may be authorized. Galicki perceived that the issue was that a policy needed to be established to have a procedure. He surmised that the Solicitor's concern was that one individual would receive a gift card and another would not, or some other inequity. He concluded that what the Village wished to do would be authorized, but a policy was needed. The Fiscal Officer proposed that a motion be made at the next Council meeting approving gifts for the current departing members and inform Council that the committees were in a process of drafting legislation for this issue and will present it when it is ready. Berger agreed and said the motion could be to resolve to create an ordinance that adheres to the ORC and the opinion of the Ohio Attorney General in an expedient fashion.

The Fiscal Officer reported that she had just completed two days of online required training for the State Auditor's Office. Some of the training pertained to the American Rescue Plan Act (ARPA) funding. This was the money the Village would be using for the Central Retention Basin. The Village should be getting about \$400,000 and the project was estimated at \$520,000, so all of the ARPA money would be used for stormwater which was allowed under the ARPA rules. However, she found out that the Village was supposed to have a Federal Procurement Policy in place. Whenever Federal money is provided, a Federal Procurement Policy must be in place. This will be requested at the next State Audit. The Fiscal Officer reached out to other Villages in the State to obtain samples of their policies, two of which she distributed to the committee.

Galicki asked about a different ARPA fund policy, and the Fiscal Officer explained that she was aware of this policy, but the Village was spending more money on the project than it was receiving. She explained that the policy pertained to situations where it was not known how the money would be spent and would then be designated as an unrealized loss. The municipality would have to say it had a loss and that ARPA funds would be used to repay itself. She reiterated that with the retention pond project, she did not believe it was something the Village needed.

She clarified that what the Village did need was to have a procurement policy pertaining to how the Village spends the ARPA money. The Fiscal Officer would distribute details of the required information for the policy once she had reviewed the material. Berger asked what the target date was to get the policy done, and the Fiscal Officer thought before summer.

The Fiscal Officer relayed that the Fire Prevention Officer would like to have the radios that do not sell on Gov Deals donated to the Auburn Career Center. She explained that for items that do not sell, the next step is for Council to determine they have no value and then the Village can dispose it. The Mayor asked if they could have been donated before putting them up for sale, and the Fiscal Officer explained that if the Village could get money for them, then the Village was obligated to do this. Otherwise, it could be a donation.

Galicki revisited the gift policy discussion and asked whether the Village's policy with proclamations had been for every board and committee member or just board members. The Fiscal Officer said there

had been no policy. It had not been consistent. Specifically addressing a long-time committee member who had passed away, Galicki suggested giving a proclamation posthumously to his family members.

Berger asked about the plan for reserve funds. The Fiscal Officer thought there should be reserve funds established for Bell Road east and plow trucks. It had been projected that Bell Road would be paved in 2024. The Fiscal Auditor asked how reserve funds worked, and the Fiscal Officer equated it to having a savings account into which money is placed every year. When the county asked why the balances were high, the Village could use the reserve funds to explain the planned use. In setting up the fund, it is necessary to say what the purpose of the fund is and how much will be put in over the term of it. If the Village were to get a grant for Bell Road, for example, the funds can be returned to their original fund. Berger added that it not permissible to put a partial amount back. The fund would need to be closed and monies returned to their source. Then a new fund could be started.

With the plow trucks, if they were put on a regular replacement cycle, and the Village put money aside, then they would always be able to be funded. Berger thought there was a Street Department replacement plan, and the next truck is scheduled to be replaced in 2026 or 2027.

Berger addressed the \$150,000 loan Council had approved for repayment. The Fiscal Officer said this would occur at the end of April. Berger asked if a reserve fund needed to be set up for the Central Retention Basin or Whitetail 319 project? The Fiscal Officer explained that Whitetail already has a fund and was not sure how a reserve fund would also be created. Berger was concerned about the Village having a lot of general funds that were not targeted towards specific projects.

The Fiscal Officer reviewed that the Village's promise to the Budget Commission was to pay off the Bell Rd. loan, to be in a contract for the Central Retention Basin, and to complete the Lake Louise Bridge project. The Central Retention Basin still must go out to bid and be contracted by the time of the Budget Commission hearing. Different reserve fund scenarios were discussed, and the Fiscal Officer cautioned that the reserve funds help show a commitment but are not intended to hide money.

The Mayor addressed a couple of issues about reserve funds. He said that not to point fingers, but last year was a "gottcha." The Village should have known or have been informed about creating reserve funds. Some communities, when you talk to them now, laugh that the Village did not know about reserve funds. The Fiscal Officer stated that not many people in the county really knew about reserve funds. It was something the Tax Board had begun to push in the last few years because municipalities had monies growing and the Tax Board wanted them to be accountable. The Mayor said the Village was getting money poured in faster than it could be spent. Again, various reserve fund possibilities were discussed. The Fiscal Officer explained that the purpose of a reserve fund is for long term projects for which the Village would need to put money aside. They would not be useful or appropriate for budgeted and or annual projects. Berger asked the Fiscal Officer to speak to the County Auditor to obtain the details about appropriate uses of reserve funds for the Village. More reserve fund options were discussed and the committee discussed these suggestions in terms of a strategic plan. Berger concluded that he did not want to experience what he did the previous August with the Budget Commission and wanted to accomplish what needed to be done to take care of this issue.

The committee discussed changing the May Finance Committee meeting to May 6th at 9:00 a.m. The Mayor said the agenda would include Reserve Funds, Fire Department Donation, and ARPA Federal Procurement guidelines.

Berger asked the Fiscal Auditor about the status of Income Tax revenue as it relates to people working from home. The Fiscal Auditor said it had been settled in the favor of the residents. Previously, taxes were still being withheld by the former work cities. The Fiscal Officer indicated that now it is being withheld for the residence city if the employee is working from home. Berger concluded that the Village's tax income would go up, and the Fiscal Officer and Fiscal Auditor agreed. The Fiscal Officer notified the county that the Village's revenues from income tax would be increasing.

The Mayor asked the Fiscal Officer when the park benches would arrive. She explained that she did not order them. The Mayor asked who would order the benches, and she said the Street Commissioner. He had ordered all the previous benches, not the Fiscal Officer. She asked if three were being ordered and the Mayor said that three were to be ordered, and one was for the Butz Voss family who paid for the bench two years ago. Two extra benches would be purchased to save on shipping. She explained that she had the purchase order, but in the past, she had not ordered any of the benches. They had all been ordered by the Street Commissioner. This was another policy the Village needed in place. Berger asked for clarification, and the Fiscal Officer explained it was for the process for the benches and park. It started with the trees and benches. Sally Butz Voss' family donated money for the bench and needed to be ordered but there had been a decision to wait. She reiterated that she does not order the benches, and this was why a policy was needed to determine who would be responsible for ordering. The money for one of the benches would come from the donation and the other two would have to come out of the Mayor's fund because they had not been budgeted for the park. There was also a problem with the benches in the Butterfly Garden. A policy needed to be in place and the employees should be the ones doing the work so that they know what is going on. The Fiscal Auditor asked for clarification, and the Fiscal Officer thought the Street Commissioner had purchased the other benches in the past, she only cut the purchase orders.

Berger asked if the policy would be specific to benches or purchasing. The Fiscal Officer explained that last year in the fall when the subject came up, the Park Committee was still determining what kind of benches they wanted. Berger asked what the purchasing policy was that the committee should be identifying. Galicki explained that there had been no consistency in bench ordering, and it seemed to stem from various people. He thought a centralized policy was needed. Berger asked if this meant that there would be specific line items that would be purchased by specific departments. The Fiscal Officer explained that since the park was done, there had not been good communication about, for example, the number of benches around the playground. Initially, it was supposed to be five or seven, but eight foundations were installed. Now an eight bench would be needed, which is where the Sally Butz Voss bench will be. The Fiscal Auditor asked who buys things for the Cemetery, and the Fiscal Officer said the Street Commissioner and cemetery office. He suggested the purchasing be done according to the purview of each department. Berger stated that a purchasing policy is needed that includes where it is initiated. The Fiscal Officer said that was not the issue.

The Fiscal Officer explained that in addition to actually purchasing the benches, there is the question of whether any more benches are to be sold. She asked this in the Budget Work Session last year. The

Park Committee was supposed to be working on this, then Council decided to do the Park Master Plan to decide the layout. If there were something that identified how many benches were wanted, the charge of the benches, and who was in charge of purchasing the benches, the current situation would not be happening. However, the Mayor thought the benches were already purchased. The Mayor stated he gave the Fiscal Officer the information. The Fiscal Officer replied that he gave her a purchase order request and she told him that she was working on the finances and had other deadlines. She had to find where the other donation money came in. Because of all the miscommunication, there is no more money in that fund, so she must figure out what to do about it. The Mayor indicated she should take it out of the Mayor's fund, he did not care, but get the benches ordered. The Fiscal Officer reiterated that she does not order the benches. The Mayor asked why this was not made clear. If he gave her the purchase order request, he was done. The Fiscal Officer said she had not gotten to it yet because she had other important deadlines. She would order it today. The Mayor said if it is the Street Commissioner's responsibility, he would have him do it on Monday.

The Fiscal Officer equated the situation with the other benches for the Butterfly Garden. Cindy Nairn purchased a bench after donating money for a bench because there was a miscommunication, which was why the Fiscal Officer was asking for a policy. Galicki added that he did not understand why Nairn and Judy Harvey did this. The Mayor said it was because Judy Harvey wanted to. The Fiscal Officer said that the ladies indicated they were told to purchase them. There are communication issues and the Fiscal Officer felt a policy of what is to be purchased, how much to charge, what to sell them for, who does the purchasing, etc., would help with these types of things.

Berger said that with a small community, it is easy for issues to lap over into other departments and people get involved with things that maybe they should not. He had no problem with writing a policy, but it should not be about park benches. Rather it should be about purchasing and be from the perspective of the greater picture. The benches would fall under the Streets Department or the Park Committee. The Fiscal Officer explained that when she is being contacted by people asking to donate, she does not know if more benches are being sold, the price, etc. Berger said this was part of the Strategic Plan from the Parks Committee, and Chairman Canton should be asked what the committee recommended. If someone called before this occurs, the Fiscal Officer could say that she did not know if the Village was accepting donations and would forward the caller to the Property Chair. The Fiscal Officer indicated this was what she had done.

Galicki adjourned the meeting at 9:36 a.m.

Dennis M. Galicki, Chairman