

**Special Finance Committee Minutes**  
**July 6, 2022, 10:30 a.m. Village Hall**

**Members Present:** Chairman Galicki, Council member Berger, Fiscal Officer

Galicki called the meeting to order and stated that the committee would be discussing the Fiscal Auditor position, Tax Budget, Reserve Funds, Ohio Fire and Police Fund (OP&F), and investments.

Galicki stated that the Fiscal Auditor's position was not a required position under the Ohio Revised Code (ORC) for a municipality. The Fiscal Officer provided the Fiscal Auditor's job description, highlighting those responsibilities that she does and those of the Fiscal Auditor. She prepares the budget. The Fiscal Officer and Fiscal Auditor both balance to the bank. Each month, the Fiscal Officer provides the Fiscal Auditor the check register and cash revenues. He enters them into QuickBooks and makes sure that they balance on every fund. The Village has one bank account which is divided into the different funds. Both the Fiscal Officer and Fiscal Auditor provide Council with monthly reports. Previously, the Fiscal Auditor made the deposits to the bank to create a separation of duties. Making timely daily deposits was problematic for the Fiscal Auditor, for whom the position was part-time and became an issue on the State audit. Now, the Administrative Assistant does the deposits. Over the years, things have changed with technology. The Village receives direct deposits from the State and Geauga County. The Building Department Administrative Assistant collects the Building Department revenues and brings them to Village Hall where they are entered into the Fiscal Officer's system and then deposited into the bank by the Administrative Assistant. For the Cemetery, the Administrative Assistant collects the money, but the Fiscal Officer notarizes the deeds, so there are two people who have looked at the money which creates a separation of duties. Regarding the duplicate set of books, this is a duplication of work but ensures the Fiscal Officer and Fiscal Auditor balance on all funds. The Fiscal Auditor is also a signer on the checks with the Fiscal Officer. The Chair of Finance is the backup. This responsibility could be delegated to the Chair of Finance with the other Finance Committee member as the backup. Regarding investments, the Fiscal Officer surmised that Council would hire an outside investment firm that would advise on this, and it has the Treasury Investment Board to weigh in on the Village's investments.

The Fiscal Officer asked if the committee wished to keep the Fiscal Auditor's job as it stands, which is a salaried position with no set hours. Would they want to make it an hourly position? Would they want to absorb it into the administrative role?

Berger suggested there was a violation of the separation of duties with both Fiscal Officer and Fiscal Auditor being able to sign checks. The Fiscal Officer explained that it is not one or the other but rather dual signatures for the Village's checks. If the Fiscal Auditor is unavailable to sign, the Chair of Finance signs instead. Berger further explored funds intake, and the Fiscal Officer explained that other than the electronic receipt of funds, there are monies from the Building Department and Cemetery, which are taken in by the two Administrative Assistants. The committee discussed that only a small amount of cash is taken in. Berger referenced fraud in the Chagrin Falls Building Department.

Berger stated that originally, he supported hiring a replacement for the Fiscal Auditor, but from a day-to-day standpoint, it did not seem like it was really needed. Galicki noted that the Fiscal Officer is preparing the Tax Budget, which is very time consuming, and asked how much assistance she had received from the Fiscal Auditor. The Fiscal Officer said none, that she does the budget and the Tax Budget. In reviewing the actual elements of the job description done by the Fiscal Auditor, he agreed

with Berger. How would elimination of the position impact the Village? The Fiscal Auditor would indicate that he and the Fiscal Officer matched to the penny, but there was a yearly audit. He felt the opportunity for fraud was small. The Fiscal Officer described how she does the monthly bank reconciliation. The financials are provided monthly to Council electronically, and the Fiscal Officer could also give the Finance Committee the bank reconciliation to verify that everything balanced.

Galicki asked what the annual salary for the Fiscal Auditor is, and the Fiscal Officer said it is \$10,778 plus PERS. Berger advised that the Village is currently in the search for a part-time administrative position. He suggested making the bank reconciliation a part of this job. This person would work for the Fiscal Officer, but it would be a second set of eyes, which he thought was preferable to having Council do it. Berger added that the money spent on salary for the Fiscal Auditor could then be applied to the part-time Administrative Assistant position and the Village would get other duties from this position.

Regarding the Treasury Investment Board, the Fiscal Auditor is a member of the board along with the Solicitor and the Mayor. This would have to be amended, and Berger suggested that the Chair of Finance would be the third member of the committee. The Fiscal Officer explained that there was a certification, Certified Public Investment Manager (CPIM), required of one board member. She has always maintained the certification in the event the Village chose to invest money. Berger proposed that the Village could also request a Village resident serve on the Treasury Investment Board as a volunteer.

Berger reiterated that he would not be nervous about eliminating the Fiscal Auditor position. The Fiscal Officer asked the opinion of the State Auditor who was working on the Village's audit. The Auditor said it was a great thing the Village had, but not a necessary expense if there were someone else to look.

Berger stated that the HR Committee will discuss the Fiscal Auditor position in relation to a candidate for the part-time Administrative Assistant position, who has auditing experience and could take on some of the duties without officially calling them an auditor. Berger thought this would be a neat way to put this together. Galicki asked Berger to explain to the HR Committee the Finance Committee's rationale in its recommendation to alleviate any concerns about eliminating the position. Much of what is in the Fiscal Auditor's job description was not done by the Fiscal Auditor or was redundant. Berger suggested that both he and Galicki needed to be authorized signers on the account, and this should remain part of the process. Berger asked about bonding, and the Fiscal Officer explained it was covered by insurance.

Regarding the Tax Budget, the Fiscal Officer provided the committee with a draft. The majority of the tax revenue funds are done, and she is now working through the small details. It will be provided in the Council packets. Galicki verified that this goes to the county. The Fiscal Officer thought that the Village was in good shape because the carry over balance will not be as great, and the Village will have the two Reserve Funds. She added that the Budget Commission would like to see a five-year budget, and she intended to provide a cover letter to them explaining this was something the Village was in the process of developing along with a strategic plan.

Berger asked if the Village should consider another Reserve Fund at this point, and the Fiscal Officer said she would not do anything right now until it was clear where the Village would end the year with Income Tax.

The Fiscal Officer verified that the Reserve Funds had been approved by the county. Galicki asked for clarification about some verbiage confusion in the Bell Road East Reserve Fund, and the Fiscal Officer

advised that she reviewed the legislation. She made it clear to the county and they revised it to state that it is only \$500,000 for Bell Road and the Village anticipates doing the initial transfer this year, and \$600,000 over six years for the large equipment which would be \$100,000 per year. This correction was made. It was a clerical error on the part of the county.

The Fiscal Officer addressed OP&F costs. There was legislation introduced at the state level pertaining to the Ohio Police and Fire pension. Currently, municipalities contribute 19.5% to their retirement. There is a proposal to increase this to 26.5% over the next five years. As a rough estimate, in 2024 with a 2.5% increase in salaries per year and paying 19.5%, the Village's contribution into OP&F would be \$194,000. With the same salary increase at 26.5%, it would be \$264,000. The Fiscal Officer felt it would be important to aware of this. The Village would not have a say in it as it would be a State mandate.

The Fiscal Officer addressed the Fiscal Auditor's report of the Treasury Investment Board meeting and its recommendations. The Fiscal Officer stated that she does not sit on this board but is aware there is a desire to get money invested. However, she thought the Village should wait to invest until after the Village develops its five-year budget and strategic plan. After this point, she thought it would be beneficial to hire a company like Meeder Investments to help decide what investments would be appropriate given the Village's plans. She was not sure where the Treasury Investment Board came up with its numbers. Berger described the board's effort to come up with a rough cut. He was willing to wait for completion of the five-year plan and understood that the Village was not in the business of making money off its funds. However, he felt the Village had an obligation to try to make something off them in the short term if they were just sitting there. Berger thought it would be beneficial to have the Fiscal Auditor explain the board's recommendation to the Finance Committee. The committee discussed the merit in using Meeder Investments with their knowledge of governmental investing.

The Fiscal Officer summarized that HR would need to decide about the Fiscal Auditor position, the necessity to change the signer on the account, and the Treasury Investment Board recommendations. Berger discussed the make-up of the Treasury Investment Board and reiterated that it would be necessary to change the rules.

Galicki adjourned the meeting at 11:13 a.m.

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Dennis M. Galicki, Chairman