

Finance Committee Meeting
July 7, 2020 – 8:10 a.m.

Members Present: Chairman Carroll and Fiscal Officer Romanowski

Members Absent: Councilman Berger

The Fiscal Officer reported that she submitted the application to make the rental house property tax-free and hoped to get an answer back before the end of the year so that the Village would not have to pay taxes on it next year.

The CCA has been giving the Village distribution advances because of the limited CCA hours during COVID-19. The Village received advances again for the month of June and adjustments will be made once returns are processed with CCA. The Fiscal Officer suspected that the Village would not really know until September or October where it stood with income tax revenue for this year. By the time the budget is adopted at the end of November or beginning of December, the Fiscal Officer hoped there would be a clearer picture of the impact.

For planning purposes, Carroll asked when the budget planning would take place. The Fiscal Officer said that generally the annual Budget Work Sessions are held in early October. She advised that over the last couple years, she asked department heads to put together a report explaining big changes to their normal budgets. These are then forwarded to Council prior to the work session so they have time to review and prepare if they have any questions. This has helped the process be more timely and flow better. By the end of October, the Fiscal Officer would have the rough draft for Council to work through and review, and then potentially have the Budget adopted by the second meeting in November. Carroll recommended providing Council with tentative dates and then sending out budget requests in August for any capital items from each department. This way, they can be reviewed by the committee in September. The Fiscal Officer concurred.

The Fiscal Officer advised that the Village received \$50,924 in COVID-19 funds. She gave Carroll information provided by the County Auditor about how the funds could be spent. One idea the Fiscal Officer had relating to the playground would be to purchase a device to disinfect it so that it could be opened. Carroll asked about the breakdown of the funds, and the Fiscal Officer stated the same formula was used as for the local government money break down. The Fiscal Officer further explained that the funds must be encumbered by October 15th. Whatever is not encumbered must be returned. By December 28th, the funds that have not been spent must be returned. The Fiscal Officer also suggested that it might be beneficial to put money aside to cover mandatory paid COVID-19 sick time for employees. Continuing difficulties in obtaining PPE were discussed relative to using the funds.

Regarding the Tax Budget, the Fiscal Officer stated she gave each department a spreadsheet and asked for input with the large items that would be requested for the following year. She had the Chief's input, but not the Street Commissioner's. She explained that the Tax Budget really sets how all the transfers are made the following year; it sets the revenues to work within for the annual appropriations. Without knowing all the facts, the Village may have some restrictions on the initial budget for next year, but amendments could be made later. She did not know what changes might be occurring with the Building Department and questioned if she should address it with the same setup as for 2020. Carroll suggested asking the Building Committee, and the Fiscal Officer advised this would be difficult as any changes to the structure need to be approved by Council, and the Tax Budget hearing is prior to the next Council meeting with adoption at that meeting. In that case, Carroll suggested the Fiscal Officer budget it with the same structure as it currently has. Fiscal Officer agreed and stated changes can be made after the year end cash balances are certified in January. Carroll noted that the

Budget Hearing will be August 17th, and clarified that the Fiscal Officer, Mayor, and Finance Committee should attend.

Regarding the State Highway money, the Fiscal Officer stated that the balance was approximately \$140,000. She expected that the Manor Brook project would occur in 2021-2022, and then the culvert replacement would follow. Carroll reminded the Fiscal Officer that Council had discussed addressing the culvert when Chillicothe Road is paved in 2021. She stated that the Engineer was going to try to get the State to do the culverts, but she did not know how he accomplish this since the Village had no success with this in the past. The culvert cost is estimated at \$121,000. Additionally, the Chief was discussing redoing the traffic light at the intersection of Bell Rd. and Chillicothe Rd. and thought the State Highway money could be used. The estimated cost for that project would be about \$200,000. There would not be enough money in the State Highway fund to cover both projects. The Fiscal Officer added that she spoke to the Chief about the possibility of the Northeast Ohio Areawide Coordinating Agency (NOACA) helping with funding for the traffic light.

The Fiscal Officer thought that with the first swipe of the budget, it is possible that there would be things that could not be included until the year-end balances are certified. She added that there are a lot of big expenses coming up for the Village, and she was not sure of all the costs and whether grants would be potentially obtained. Also not known is how revenues will be impacted by COVID. The Fiscal Officer stressed the need to get the departments and Council to identify the priorities in the budget work sessions. Carroll would address this with the Street Commissioner. The Fiscal Officer said she would redistribute the departments' five-year plans to the Department Heads to use as a resource when preparing the budget work this fall.

The Fiscal Officer addressed the possibility of getting an AED for the Service Building. She stated that there is one in Village Hall and one in the Police Department. Carroll asked if there was money in the budget to purchase one in 2020, and if so, to purchase it this year. Fiscal Officer said she would look at the budget and proceed accordingly.

Regarding the copier, the Fiscal Officer explained that the Village Hall copier was moved to the Building Department when there was an attempt to consolidate. The copier remained in the Building Department when the Fiscal Officer returned to her office in Village Hall. The current copier in Village Hall does not connect to the computers for printing or scanning, and tends to jam up and chew paper. The Fiscal Officer and Administrative Assistant now print to desktop LaserJet printers, but that is much more costly than printing to a copier. Carroll acknowledged the Fiscal Officer's department makes many more copies and scans than the other departments due to the nature of their work. He suggested looking at the current budget to see if a copier could be purchased this year. She replied that she met with three copier companies and is waiting for quotes. She looked at her budget for this year and believes some line items can be adjusted to make purchasing a copier this year feasible. Carroll said it is important for the Fiscal Officer's office have the equipment necessary to do the job efficiently as soon as possible, and he thought it would be best to purchase a new copier this year. Carroll will bring this up at the 7/13/20 Council meeting.

The Fiscal Officer stated that the last time the Village website was done was in 2014-2015, at which time the Village paid \$7,700. To redesign the site would be \$4,500 which could be split into 12 monthly payments. She felt the website should be updated next year and indicated it could be more user friendly. Having it redone would also allow it to be utilized effectively with mobile devices, which it currently is not. Carroll agreed it would be good to look at updating the website in 2021.

The Fiscal Officer proposed getting tablets for Mayor and Council in 2021 rather than printing the Council packets. Previously, Council did not receive paper copies of the packets and accessed the packets through the website on their own personal computers/tablets. Carroll stated he preferred the paper packets but thought a

cost analysis could be done for 7 tablets compared to the cost of printing over a four-year period. Another reason the Fiscal Officer thought the tablets should be considered related to email and public records requests. This way it would keep all the public records on one device and when someone left office, they could simply turn in the tablet and the Village would have all the records on the device. It is not permissible for elected officials or Village employees to delete emails, and the Fiscal Officer would be providing Council with instructions on organizing emails without deleting them. Carroll acknowledged this and stated that he has a dedicated Gmail address for Council matters that includes his Google Drive, Sheets, Docs, etc. This allows him to prepare the documents he needs through the Google Suite and all of which would be turned over to the Village at such time as he is no longer involved with Council. He added that with deleting emails, Council should be advised that when using a private email for Village business, it could be subject to a public records request. It is troublesome to intermingle the accounts. He suggested giving Council Google Suite training. The Fiscal Officer acknowledged that the way the current email is set up, often responses come from the Council members' private email accounts, which then makes their private accounts susceptible to public records requests. She stated that instructions will be provided to Council in the July 13th Council packet pertaining to organization of their emails, to include not placing emails in the "trash" since they are then permanently removed after 30 days. She was considering providing the Gmail training with the finance training she had proposed for the elected officials. The Fiscal Officer concluded that she would not put anything in the budget for the tablets but would research prices for sake of discussion in October.

Carroll asked about the cost of retrieving emails for the public records request the Village received. The Fiscal Officer said was about \$200 for the computer person to come out to retrieve the deleted emails from the Mayor's account. Carroll and the Fiscal Officer agreed that the point is that the emails cannot be deleted no matter how trivial. The Fiscal Officer explained that if all of Council were to use the assigned South Russell email accounts, the Village would have access to the emails from the Gmail cloud in the event of a public records request; this is not necessarily the case with the use of Outlook. Carroll agreed that training would be beneficial, particularly for newly elected officials. He added that the use of public property for personal gain, like using Village water or electricity, should be addressed. Carroll explained that many people do not understand that what is done in the private world is not okay to do in the public world. He felt this was difficult for some newly elected officials to grasp. The Fiscal Officer stated this is the reason attending Public Records and Ethics training is important for everyone to do. While she is the designee for the required training to ensure the requirements are met for the elected officials, she strongly believes the elected officials should take the training themselves as well so they understand the laws. The Fiscal Officer explained that there are times when access to funding, FEMA for example, is contingent on meeting certain training requirements. If officials do not have the training, then the Village potentially could miss out on funding opportunities. Carroll concurred.

Regarding the timeliness of the deposits, the Fiscal Officer contacted the County and State Auditors and verified that deposits must be into the bank within 24 hours unless legislation is passed for anything under \$1,000 can be deposited within 72 hours. Council approved this legislation at the 6/18/20 Special Council meeting. The Fiscal Officer relayed that she is receiving deposits from the Building Department daily, but some of the checks were dated a week to several months earlier; such as a check she received on 7/6/20 that was dated 4/30/20. Carroll asked when the checks were received, and the Fiscal Officer stated she did not know. Carroll stated he would speak to the Building Committee about the matter. He noted that the one check was nearly expired and that it should be required that checks be dated within 30 days. The Fiscal Officer questioned why someone would submit a check in July that was dated April. Carroll advised that the daily deposit rule must be reinforced. The Fiscal Officer clarified that the checks have been brought to her daily, so she just did not know how long the check had been sitting in the Building Department office. Carroll acknowledged this but suggested asking the Building Department Administrative Assistant when she received the check. He added that best practices should be applied. Carroll verified that historically with the former Building Inspector, the checks were just put in files, which is illegal. The Fiscal Officer reiterated that the checks must be deposited,

and if a reason arises that the funds need to be returned, a refund can be issued. Carroll stated that going forward, the process must be done correctly in accordance with the State and County Auditors' requirements even though the previous Building Inspector and current contracted Building Inspector did not believe in the rule. The Fiscal Officer stated it is a matter of adjusting practices, and Carroll added that perhaps unbeknownst to them, they followed a practice that was not correct. Moving forward, things will be done the right way.

The Fiscal Officer provided Carroll information regarding how property tax levies work to help understand the revenue a levy brings and how that revenue could be affected over time. She noted that more money can be collected on a levy through new construction. Carroll asked if an addition might be considered new construction, and the Fiscal Officer relayed that according to the County Auditor, it is tricky and depends on how the legislation is written; it is a complicated formula that is used. With schools, the dollar amount does not change for the life of the levy. With the Village, the effective millage will change. As the residents' property values increase over time, the resident does not pay more in taxes, so the effective millage decreases. If a huge \$700,000 addition for example is added to a home that significantly changes its value, it is possible the Village could receive additional funds from property taxes, but the same is not true with smaller home improvements. Carroll stated he would forward this information to Kent Kristensen with Paw Paw Lake.

The meeting was adjourned at 8:55 a.m.

A handwritten signature in blue ink, appearing to read "Michael Carroll", is written over a horizontal line.

Michael Carroll, Chair of Finance Committee

Prepared by: Leslie Galicki