

Special Finance Committee Meeting
August 5, 2022, 8:00 a.m. Village Hall

Members Present: Chairman Galicki, Council Member Berger, Fiscal Officer, Fiscal Auditor, Mayor, Solicitor Matheney (8:22 a.m.)

Galicki called the meeting to order and read the roll.

The Fiscal Officer discussed the five-year budget and advised during the month of September she planned to meet with committees and Department Heads to get an idea of their plans and from there prepare the budget worksheets for the Budget Work Session. She added that she would want Council to be aware of the impact of potential property acquisition on the balances as well as the potential expense to rebuild the Salt Dome.

The Fiscal Officer addressed the budget for the new Zoning Inspector. For the first month and half, it is at just over \$2,000 and the budget is \$7,000 for the year. A larger budget would be necessary if this schedule were to continue.

Galicki introduced the agenda item of Village policies and processes. He stated that the Village would be losing its Fiscal Auditor. The Fiscal Officer advised that the Solicitor would address the changes necessary in the Codified Ordinances regarding the Fiscal Auditor position.

The Fiscal Officer addressed the Village's purchase order (PO) policy. The law requires that POs are pulled before the Village incurs an expense or places an order. Recently there was a PO requested for \$2,800 for boulders. The PO was put in for a private individual, and the Fiscal Officer requested a W9. She did not receive the W9 and found that it was not an order, but rather the boulders had already been installed. The individual works for a company but did not want it to go through the company. Anything over \$3,000 must go to Council for approval, and although the \$2,800 is under the threshold, she is not comfortable paying it on her own with the back and forth that has gone on with this issue. When she receives the PO request, she will ask for Council's approval to move forward on it. The Fiscal Officer and Fiscal Auditor explained the necessity to have a W9 for the individual and the tax requirements on the individual's part. The committee discussed the irregularity of the situation. Berger stated that until a W9 appears, nothing will be paid. The Mayor stated that the W9 came yesterday in an email. The Fiscal Officer reiterated that she would ask for Council's permission to pay the bill. She added that at one point, there was a suggestion that an employee submit the bill, and she was just not comfortable with paying this without Council's approval.

Regarding investments, she advised that legislation was prepared for the Meeder agreement, which was distributed to the committee. The Fiscal Auditor advised he had contacted Star Ohio since the money that Meeder will utilize will be coming from this account, and with the Fiscal Auditor leaving, someone else must have access to the account. There is a form that will identify individuals with viewing rights for the account or full access. Berger clarified that money had never been pulled out of the Star Ohio account for operating expenses. The Fiscal Auditor said it had only been pulled out for other investment opportunities. Berger said he had no problem with the Fiscal Officer having viewing rights to this account but not full access. The Fiscal Officer asked who would have full access? Berger acknowledged that with the elimination of the Fiscal Auditor

position, this was a question. The Fiscal Auditor explained that in the past, the statements were physically mailed to Village Hall to the Fiscal Officer and the Fiscal Auditor could view them online. This way the Fiscal Officer could ensure the Fiscal Auditor was not moving money around. His recommendation would be to have one person as the authorized signatory and have a couple people with viewing rights. Confirmation would be necessary to ensure it was being reviewed. There should be two sets of eyes on the money. Galicki wondered if this discussion was an indicator that the Village should keep the Fiscal Auditor position. The Fiscal Auditor thought it was only necessary to ensure that controls were in place. The committee discussed different options with the Fiscal Auditor duties and position. The Auditor suggested developing a process whereby every Council member reviews and approves the Huntington Bank and Star Ohio reports. The Fiscal Auditor pointed out the controls provided with the Treasury Investment Board.

The Solicitor arrived at 8:22 a.m. The Fiscal Officer explained that the discussion pertained to the Fiscal Auditor position and the investments with Meeder. Currently, the Fiscal Auditor and Fiscal Officer are on the Huntington Bank account, but only the Fiscal Auditor is on the Star Ohio account. The issue being discussed involves who will be on this account because it is possible to move money around. Would it be better to keep the Fiscal Auditor position or consider a combined position?

Berger said there should be two members of the Treasury Investment Board who have access to the Star Ohio account, but who should they be? The Fiscal Auditor added that another question is who will be the one authorized to move money? Berger said it should not be the Fiscal Officer. The Solicitor explained that the Board is not required by statute, but the Village created it and it has the Auditor or Chief Fiscal Officer as the one who makes the recommendation to the Mayor and Solicitor. She thought it should be the Fiscal Officer. The Fiscal Auditor concurred. The Solicitor further explained that regardless of what members are included on the Board, the process must be where the Fiscal Officer is making the recommendation to the Mayor and Solicitor according to the Ohio Revised Code (ORC). Galicki asked what precipitated creation of the Board, and the Solicitor said it was created in 1981. Galicki clarified that it is not required, and the Solicitor concurred. In 1981, the Village still had a Treasurer, which was an elected position. In 2007, the position of Fiscal Auditor was created.

Berger explained that HR had interviewed for a part-time Administrative Assistant position, and the candidate has accounting skills. Could this individual do the bank reconciliation and review Star Ohio, and confirm the processes? There would be a conflict because this position would report to the Fiscal Officer. However, it would provide another set of eyes of someone with an accounting background. This is being considered by the HR Committee.

The merits of the Treasury Investment Board were discussed. The Fiscal Auditor thought some processes should be developed because currently, there is no requirement of the Treasury Investment Board to notify Council of its actions. For example, Council approval should be required of any transfer of 20% or more of the Village's ending balance of the prior year. Berger thought this would provide transparency.

The committee discussed the Treasury Investment Board membership. Galicki noted that currently it was the Solicitor, Mayor, and Fiscal Officer. Berger stated Council wrote the ordinance and

could amend it. The Fiscal Officer stated that those three must be on it. The Solicitor reiterated that the Village does not have to have the board, but technically it is the Fiscal Officer or Fiscal Auditor, the Mayor, and the Solicitor per ORC. She offered that if Council were to create a Board it can consist of anyone they want, but she would recommend at least one or two of the statutory individuals. The Mayor thought it should be the Fiscal Officer, Solicitor, Mayor, head of Finance Committee, and a citizen. Galicki added that the citizen/resident should be someone with qualifications. The committee discussed that the Board should meet quarterly as well as the necessary changes to legislation for changes to the Board.

Regarding eliminating the Fiscal Auditor position, Berger advised the HR committee supported this. He would recommend hiring the part-time Administrative Assistant candidate at the August 8th meeting. If that does not come to pass, HR would be back to square one. Galicki thought that the hiring of the candidate should be coupled with disestablishing the Fiscal Auditor position. If this is the direction Council wishes to take with the new hire, fundamentally in terms of forming their duties, it is necessary to ascertain whether the Village will or will not have a Fiscal Auditor. The Solicitor explained that the portion of the Codified Ordinances which address the Fiscal Auditor could be changed to permissive, i.e. “may” instead of “must.” Berger observed that this would provide flexibility. The Solicitor stated that this way, with the Treasury Investment Board, it could be ‘Fiscal Officer or Fiscal Auditor.’ This was the way she had prepared the legislation.

The Solicitor explained the necessary changes to the chapter of the Codified Ordinances relative to the Fiscal Auditor position.

Berger asked what the Finance Committee’s recommendation to Council would be for the August 8th meeting. Berger liked the Solicitor’s proposal. Galicki said he struggled with whether to eliminate the Auditor position and whether the new hire would have the qualifications or insight. The current position has worked well for the Village. However, he liked the changes proposed by the Solicitor. Galicki discussed elimination of the position in terms of a backup for the Fiscal Officer in the event of an emergency. Berger said that the HR Committee had discussed this with the Fiscal Officer and tasked her with identifying those functions that could continue and those that could not and how to fill the void. Regarding the amendment to the Codified Ordinances, Berger stated they do not preclude the Village from hiring a Fiscal Auditor.

The Fiscal Officer explained that much of the Fiscal Auditor’s work is a duplication of entering information into a different system to make sure they balance. The Fiscal Auditor agreed. Instead, the Fiscal Officer explained that she could enter it into the system and there are independent eyes looking at what is in her system rather than writing another set of books. The Village is not getting anything for this other than showing they balance. The Fiscal Auditor added that according to the State Auditor, it is not needed. Galicki questioned whether the duplication of effort is actually forcing someone to look at the numbers. The Fiscal Officer explained that doing the bank reconciliation will produce the same result. The main concern is not balancing with each other but balancing to the bank. The Fiscal Officer thought that what was important would be to have someone separate doing the bank reconciliation and verifying all check numbers and deposits are all accounted for.

The Mayor thought this was a big decision and thought Council would vote no. It was coming too fast for most members of Council. Berger stated that with the suggestions from the Solicitor, Council would not be eliminating the opportunity to have a Fiscal Auditor. It would be providing the flexibility for the Village. Galicki agreed with the Solicitor's recommended changes. His concern involved the packaging of the duties with the new hire without potentially fleshing out what the responsibilities will be. Berger advised that there is a job description for the position for Council to consider. He added that a portion of the responsibilities involve being a backup for the Building Department and a floater. If Council does not move forward on the position, then the committee will have to consider how to bridge the gap since the Fiscal Auditor will be leaving. Putting the pieces in place with the proposed amendment would allow the Village flexibility. The Mayor was concerned that Council would not have enough time to consider it. Berger said that Council needed to move forward on the position because there were other functions that needed to be filled.

The Fiscal Officer asked about the check signing issue. Galicki said previous discussions indicated that it would be the Fiscal Officer and potentially the Chair of Finance. The Fiscal Officer said a third was required. Galicki offered that it would be the members of Finance. The Mayor thought it was problematic for Galicki to sign checks with his wife working in Administration. Galicki advised that she has no fiscal accountability. The Mayor still had an issue with it. Galicki did not have an issue with it. The Fiscal Officer explained that there would be three people, which should add comfort. Galicki said that having the construct of the three signers extends to future Finance Committee members. The Solicitor addressed the verbiage which required either the Fiscal Officer or Fiscal Auditor as signers, and Berger suggested keeping this, but questioned what would happen if the Fiscal Officer were unavailable to sign. The two Finance Committee members could not both sign checks. An emergency meeting would be required.

The Fiscal Officer advised that a motion would be required to change the resignation date of the Fiscal Auditor to August 15th.

Galicki addressed an issue raised in the Safety Committee meeting pertaining to a Chamber of Commerce pavilion rental. The application, which appeared to contain different handwritings, indicated police coverage was required, and a police officer attended the event. At the conclusion, he was refused payment by the Chamber of Commerce because they said they did not ask for such coverage. The Village cannot compensate the officer for his time, and Galicki thought the Chamber should be contacted regarding payment. He would address this at the Council meeting.

Galicki adjourned the meeting at 9:05 a.m.

Dennis Galicki, Chairman