

FINANCE COMMITTEE MEETING – 8/18/23 @ 9 am

FO Notes

Present: Berger, Galicki, Koons, Romanowski, Solicitor

The Solicitor explained that she reviewed the template agreement with ADP for IT Services for the Village. Upon review, the termination clause of the agreement states that the only one that can terminate the agreement is ADP per a written agreement. Under other sections of the agreement, it does state under what conditions the Village could get out. She knows when ADP presented to the Village, they indicated the Village could terminate. Additionally, the agreement states that issues need to be mailed to ADP by certified mail, which she believes is outdated. She would like to reach out to ADP's legal counsel for clarification on what "immediately report" means, how issues will be reported, the reference to indemnification in the agreement, as well as some other questions she has. The committee agreed the Solicitor should reach out to ADP's legal counsel for clarification. The Solicitor said she will reach out to the Prosecutor's office with proposed revisions. If she gets the final agreement back from the Prosecutor's office, she will prepare the agreement legislation and get it on the next Council meeting agenda.

There was discussion that before entering into the agreement, the Village would need to amend the budget to have the funds in place. FO is to contact the ADP office and find out: If it is approved on 9/11/23, when could the Village expect the transition to ADP would be complete? How often does ADP do billing? The Solicitor stated the agreement does state that the Village is to make payment within 30 days of receiving the invoice. The committee understood the funds needed to be budgeted for at the time of entering the agreement, though it is likely the funds would not be expended until the project is complete, which is likely to be in 2024. Since the Village doesn't encumber expenses if it isn't necessary, it would have to re-budget for this expense in 2024, similarly to what is being done for the new cruiser.

Berger said it isn't a question of *if* the Village gets attacked, it is *when*. The Village needs to get the security in place. The County has developed a robust program under which the Village can get coverage without going to a private company for these services. FO explained that being government, the County understands what the requirements are. She stated she attended her national Finance Officers training virtually earlier in the week and they confirmed everything ADP presented to the Village – such as where most cyber-attacks are coming from and what brands of equipment should be avoided.

FO is to get the necessary appropriation amendment prepared for consideration at the 9/11/23 Council meeting. Some money will be recouped from selling equipment taken out of service on GovDeals. It likely will not be much, but there should be some money recouped.

FO informed the committee there will be no ARPA funds remaining for this expense. Berger said the Village may not have ARPA funds available, but it does have funds available that can be used for this expense.

Mayor will reach out to Bainbridge Twp. and Russell Twp. to solicit feedback on their satisfaction with the services they receive from ADP.

The next Treasury Investment Board (TIB) meeting is 9/5/23 at 9 am. Berger will be out of town; Galicki will attend the meeting in his absence. There was a brief discussion about increased interest rates this year versus last year.

FO reminded the group that the 2024 Tax Budget hearing is Tuesday, 8/22/23 at 11:20 a.m. She stated the Auditor's office sends out a letter letting entities know if there are any mechanical budget issues such as numbers balancing, expenses exceeding revenue, etc. The Village's letter came back that the proposed budget was reviewed and looks good. This does not mean the Budget Commission will not have questions, nor does it guarantee that they will accept the budget, it simply means there were no mechanical issues with the budget.

FO informed the committee the State Auditor's office continues to work on the Village's 2021 and 2022 financial audit both remotely and onsite. The auditor performing the leg work of the audit has left for vacation and won't be back in town until September 2nd, so the audit will resume after that. She stated that so far there are no issues, and they are happy with the turnaround time of her office getting them the documents requested. FO stated she knows people think she is "nitpicky" about processes and procedures, but having the Auditor's office in every other year scrutinizing Village records is a concrete reminder why she must remain vigilant.

FO reported that in the last audit the Village had an issue with its Credit Card Policy. FO gave the Auditor's office documentation showing that the Village passed legislation amending the policy to include the required details such as who has Village-owned credit cards, submitting receipts, how long the card can be signed out for, etc. The onsite auditor said it appeared to her the issue is now resolved and should not be an issue on the current audit report.

Berger explained to the Mayor why the Auditor's office could not provide a template policy and then audit that policy. He explained if the Auditor's office supplied the policy and there were issues, it could bring problems for the Auditor's office as they audit the Village.

FO explained that all officials who received a fraud risk assessment form from the Auditor's office, must answer it. Berger, Galicki and FO all completed theirs. The Auditor will contact those that do not respond and remind them.

The budget for Mansour, Gavin, which is providing HR related services to the Village for updating the Employee Handbook and job descriptions, has reached the amount budgeted for services for the year. The Village budgeted \$12,500 for the year and spent \$12,734.30 YTD. Upon review, it was decided to amend the budget \$10,000 for 2023, and then for 2024 budget \$12,000 for the year.

The 2024 Annual Budget work session will be Monday, October 2, 2023, at 5:30 p.m. FO will send out notice to officials. After discussion, it was decided dinner will be purchased for Village officials.

FO will be missing the October 9th Council meeting - the Administrative Assistant will be attending in her absence.

Possible locations for the Village's annual holiday luncheon for employees and elected officials was discussed. While Augie's food is fantastic, there are other restaurants in the Village that could be considered to handle approximately 30 people.

Berger stated upon reviewing the Income Tax Report, it appears that income tax is almost double of what it was in 2020. FO stated she will put together a more detailed Income Tax report next month to give a better visual of the tax collection history. There was discussion about some companies not having employees return to the office while others are now calling them back to the office. While collections are significantly increased, it would be wise for the Village to remain cautious and continue to keep a close eye on these collections.

FO explained that at the training she went to earlier in the week, they did discuss Artificial Intelligence (AI) and ways this would be taking away white-collar jobs. While some may think it is science fiction, it is happening and can also have an impact on income tax collections if people lose their jobs. Given Income Tax collections vary the most of all tax collections, this is an area that needs to be continuously monitored.

Berger stated with the Tax Budget hearing coming up, it is a reminder that the Village cannot simply accumulate money without a purpose. The Village has completed a significant number of projects with the Manor Brook retention pond, the Central Retention Basin, the larger road programs, the traffic light, etc. During the budget season, officials need to plan for the future and design a plan of what projects to undertake that will require Village funds.

The meeting was adjourned at 9:39 a.m.

Christopher J. Berger, Chair