

VILLAGE OF OAKWOOD
FINANCE MEETING MINUTES
July 12, 2022

ATTENDED

Elaine Gaither-Council-at-Large
Chris Callender-Ward 1 (Late)
Eloise Hardin-Ward 2
Paggie Matlock-Ward 3 (Late)
Mary Davis-Ward 4
Candace Williams-Ward 5

Brian Thompson-Finance

ABSENT

Johnnie Warren-President

Gary Gottschalk-Mayor
Jim Climer-Law Director

Meeting opened at 6:09 by Gaither

Pledge of Allegiance and attendance taken.

Thompson: Tonight, we are going to review our financials for May 2022. We are going to discuss a little bit of debt, share some exhibits with you, talk about a few revenue projections about the Kroger project and I had some historical spreadsheets to look at in terms of our income tax. There are a couple of legislations on for tonight. I have an exhibit for the tax budget that is attached to your documents we can get into after we get through the financials. **Williams:** Do you have the reports for March and April? **Morgan:** March you did get. This is April and May. **Thompson:** We can get them separate. **Davis:** The only thing I ask is that we have this ahead of time because I had time to look through. **Thompson:** The timing should be back on course. I know the last few months.... **Hardin:** I am going to ask one more thing; just like you ran down what we are going to go through, can we get that printed? **Thompson:** Okay. Our favorable ratio is 42%. Our general fund projected revenue is about \$10.1 million. Through 5/31/22, we had a little over \$4 million, so we had a .40%. It's not at .42% but I am not worried about how it's coming because our collections have been coming in pretty good. It may be just timing matters for that .02%. As we look at the expense side, what I do I provide every department and the appropriations we approved for the 2022 year. The expenses running through 5/31/2022 year to date shows by department. Most of the departments are doing pretty good. They stand below the 42%. The one with the Council Clerk at .46% and when I went back to look at that, we had a large payout last year for the previous Clerk. Her PERS payment came a little bit later, so that last quarter of the year had not hit, so that threw the ratio off through May. Legal admin was over a little bit. That may be associated with clearing out some Premier development type work that he was doing for the project. Normally the ratio favorable for the month is the .42%. **Hardin:** Is there anything big coming up? **Thompson:** I am sure he will have to do some legal advice concerning Kroger. He can probably brief you. **Hardin:** If we are already over, what is supposed to happen? **Thompson:** They could level out with Climer. I don't see it threatening the level we have for the year. **Davis:** So, you are attributing this increase for public land? **Thompson:** She jumped to public lands but I want to go back to legal because it was one of the ones that's over. **Thompson:** It was discussion about Climer's legal work. **Davis:** So, you think its attributing that to Premier, WM, etc? **Thompson:** Periodically, we review his bill that has a lot of details. I can provide those again, if you would like to see. I can run those by the month if you want to see his year-to-date stuff. **Davis:** And the dog warden; I am surprised we have that many? **Thompson:** That's through May. It's attributed to the contract amounts depending on what service they provide. **Gaither:** The dog warden goes through the police department. **Thompson:** It's a contract every year. I don't think his rates changed much. It may just be the activity they are running. They are in ratio. With public land and buildings, those are improvements. I didn't run a detail on that, but I can run it. But if you look at the overall general fund, it's at .32%. **Davis:** Finance at .35%, what are we doing with that and mayor's court, why are we paying that high? Is it just legal fees? **Thompson:** It is under the .42 but keep in mind the .35 we kind of evaluate that departments are not out of their range. So, finance is not overspending based on the appropriations that was appropriated. But the numbers you are seeing under the year-to-date column, that is like for the hole year and that includes payroll, pension payments, Medicare obligations, things like that. **Hardin:** Why do we allocate \$50,000 for auxiliary and there is only one person there? **Thompson:** I think the Chief explained there is only one and he likes to keep some of his appropriations in light of when he may have additional auxiliary. I am trying to recall his explanation. **Hardin:** Could

you ask him because we don't need \$50,000 and another \$30,000 sitting over there. That's a lot. **Thompson:** I don't think he will be at the meeting tonight, but I will consult with him. **Williams:** If we have money sitting there that we're not going to use and he knows he's not going to use it. And we talked about a contingency budget of \$1 million in 5 years, that could be where you could start with \$5,000 or \$10,000 as a line item. **Thompson:** I would like to revisit. I know he always has a pretty sound explanation of why he puts appropriations in place for the auxiliary. **Williams:** I recall that he was just going to keep it there and he wasn't going to use it. I'm saying if we know it's going to be sitting there at the end of the year, you have identified some funds that you could start that line item with. **Thompson:** Traditionally he is going to have one that is going to continue. **Hardin:** When are we going to be up to date with the reports? **Thompson:** This is through May, and we are closing June now. We won't have another meeting. The reports that are coming in now, you will be on vacation. **Hardin:** Here is what I am going to ask you to do. Even though we are on vacation, I still want those reports. **Thompson:** We are going to give you June in the next week. **Hardin:** And then you will be current. **Thompson:** Yes. **Williams:** When we return in August, we will return to a finance meeting in July, correct? **Thompson:** Yes. You return August 23rd, we will be able to cover both months. **Hardin:** Let's schedule it now with the understanding that we will get both reports. But in the meantime, we will get June. We will have a meeting August 23rd and the reports will be earlier. **Davis:** I want a chance to review them before the meeting. **Thompson:** You will have June pretty early and July. I think the legislation calls for something by the 15th of every month. I think the goal was trying to get everything the Friday before the meetings. We will get that back on course. **Hardin:** So, the system is in and everything? **Thompson:** The system is in. I got through all the May reports. June is going along pretty good, so we are really getting back up to snuff in terms of the timing of the reports. **Davis:** The senior van, do we have a new driver now? **Thompson:** It was always John Poindexter, Willie. John became ill and he retired. Then Nwoku was always part time and doing a good job. Now it's Nwoku who works Monday through Wednesday till noon and Willie pick ups at noon to the end of the week on Friday evening. We have 2. **Hardin:** Back to why you are leaving the money there unless you are going to.... **Davis:** It's at .31% so not too much under. We don't know how much gas. **Thompson:** Well, we can evaluate all of these as we move throughout the year. Through June would be a good target point. With John being such a long-time person in terms of salaries but when I looked at this, I am pretty sure I had it for the 2 individuals. I know we have had a lot of repairs lately and I know that is some of that on there. **Davis:** So, that's gas, repairs.... **Thompson:** ...and the salary of two individuals. **Davis:** Bedford Schools-there is nothing on here. Is that the summer program? **Thompson:** No. We will be making the payments. When the Mayor makes this CRA agreements and revenue share with the schools, we wait through June, so the RITA income tax is all the way through, and people have filed all their returns. Then we go back and do the revenue sharing based on how the Mayor did the deal. Depending on what companies we did the deal with, that accumulates to the amount we have to pay back to Bedford Schools for the revenue sharing. That will be coming up by the end of July. You will see that in July's report. **Davis:** And summer employment? **Thompson:** No summer employment person. Sometimes we used to have a person here helping Debbie and that hasn't happened. She was utilized in different areas. **Davis:** So, recreation would be.... **Thompson:** Recreation is under their 204. **Davis:** They just started their summer program so this wouldn't show the summer program for rec. **Thompson:** It goes up through May, but I do have some of the numbers of what he spent in June as I move on to the rec area. We haven't collected much through May. Keep in mind that the Senior Fund and the Recreation Fund are those funds where we subsidize with transfers from the General Fund to the different funds. Now, like you said, there is not much revenue there because like you said, the programs didn't start till June in terms of what we collected for the rec programs and there was a daycare they paid for. **Hardin:** Where do we show 501(c)(3) funds? **Thompson:** 501(c)(3) funds are never show up on our books. That's the Mayor's non-profit that he has under his own financials for himself personally. It's always been that way. 501(c)(3) donations that a lot of the companies make. He sends out his letters before the concerts and then send donations to him. That will never be on our books. **Hardin:** Okay, so we are not accountable for all of that? **Thompson:** No. **Hardin:** Do you not show that certain things were covered by the 501(c)(3)? **Thompson:** Not for the 501(c)(3). He has his own account for that. We do show that you pass through legislation there is \$15,000 that you give him every year for those concerts. That's what I do have an account of. But that 501(c)(3) is his personal, privy, private financial information for that organization. **Hardin:** If something is paid out of those funds, and the question is asked, 'How is that paid for,' that is the explanation. **Thompson:** Yes. I don't have all the documentation. **Hardin:** No problem. **Thompson:** The revenue is showing senior fund and rec fund. There is minimal being reported there at this point. On the expenses, the senior fund, \$28,134.15, and the rec fund through May, he's used \$26,668(.85) so far. **Davis:** Why did we use so much in the rec? **Thompson:** A lot of that is Carlean's salary. You can look at it in the big report. On page 15-16, you can go to the year-to-date expenses, and you can see the majority of it is wages which is pretty much Carlean. Another big portion of it is fitness instructors for the seniors. The salaries are \$19,900, the fitness instructor \$5,600, little bit of repairs and maintenance, gasoline. **Davis:** Is gasoline just Carlean's? Do we only pay for gas from here to the community center? **Thompson:** It can be the community center.

Sometimes the Mayor sends her on scout missions to go and check venues of where she is going to take the kids.

Gaither: The event that is coming up Friday, she has to go around and check all these places; Painesville, Madison, at these wineries. **Thompson:** She will be paid mileage by the IRS ruling. **Davis:** The fitness instructors: \$5,600.

Thompson: That is throughout through May for general recreation. **Williams:** What's under miscellaneous contractual for recreation? **Thompson:** She probably has cellphone every month.... **Williams:** There is a cellphone line item down below. **Davis:** But it has zeroes in it. **Williams:** But if there is a line item, it should be there. **Thompson:** I can run the detail between the meetings. Usually under there we may put copier agreements, but to be exact, I will have to run the detail for you. **Hardin:** Have we started that program with the cycling? **Thompson:** No. I know the Mayor discussed this with me before that the gentleman is a little worried about his machines if the senior break them or something like that. He has been throwing around the fact he's looking to buy 3-4 of our own machines to have our own cycling program with Carlean. **Williams:** Was there any explanation as to why he meant the seniors would break them? **Thompson:** I wasn't there. **Gaither:** I was there. He complained. I think he has cheap machines and the little holsters that hold your feet, some of them fell off the machines. Some of them were crooked and tipping so I don't think we should do that venue. **Williams:** So, they don't seem safe for our seniors. **Gaither:** It's his business but.... **Williams:** The proposition was for us to buy cycles for his business? **Thompson:** No. After he (Mayor) talked to that gentleman, I didn't have the conversation with him. This was in terms of me and the Mayor that he thought it was a good idea for the Village may buy some cycling machines for the seniors. This was speculative but I do know he had the conversation with the gentleman that he was concerned about the equipment. That's just something we were considering. **Hardin:** When did we buy those machines that's over in the community center? **Thompson:** I haven't been down there in a while. Are there treadmills and things? **Gaither:** There is a treadmill and the cycle and rowing machine. **Hardin:** When did we get that? **Thompson:** I will check on the machine date purchases. I do have the miscellaneous contractual. There was a DJ service twice sometime in February. I know on one of the upcoming trips he's going to have some kind of DJ/MC person. That was \$150 apiece. Then there looks like there was some marking dust bought for \$276 they used in recreation. That came up to the \$600. **Davis:** Your next item, camp transportation, but we don't have any line items for that. We don't do that separately; how much it costs for the busses to transport them to all their camp things? **Thompson:** We consolidated all that under the summer camp line item. **Davis:** Then the Cuyahoga County Development Grant; why do we have a line item for that? Do we usually get money from that, or do they usually have somebody has a disability? **Thompson:** We have to have two sides to it where we took in the revenue and made expenses against it. It may be a line for a previous program. I don't see anything, but I will make note of that one. **Williams:** Do you know if we still have the refund program? **Thompson:** We book those under Healthy Oakwood under 1017799 on page 13. **Davis:** The rec department, the office supplies is up to 132%. What office supplies puts you way over in the amounts? Plus, gasoline is almost 90% of the budget. **Thompson:** The office supplies are only \$50. **Davis:** She spend \$30 out of \$50 but it says 132%. Are we going to be out of whack all year because it's only May? **Thompson:** We will just realign within the budget. We had \$50 there and she had \$66. Looks like she had a nameplate engraving under Gino's. We'll just bring it back in line but I won't move the total amount allocated to the recreation fund was \$280,000. Some of the areas it may not be used so I will just realign on that line item. **Hardin:** For every expenditure, there is a purchase order is there not? **Thompson:** Yes, there is a purchase order. **Hardin:** And the person who signs off on purchase orders is who? **Thompson:** The directors put in a purchase requisition, we turn it into a purchase order and my name is the final name going on the purchase order when it is complete. **Hardin:** How many of you have credit cards? **Thompson:** I got one, Carlean, Fire Department....

Hardin: We can stop right there. **Thompson:** We do have legislation listing who has credit cards and who don't.

Hardin: So, when Carlean spends something on her credit card, does she have to get pre-approved? **Thompson:** Yes, she will have a quote that puts the purchase requisition in place, that turns into a PO which gives the green light for the vendor for the services. **Hardin:** I have been sitting here a long time and I kind of thought so but that hasn't changed.

Davis: Tonight, we have finance in that one ordinance.... **Thompson:** Both ordinances are finance tonight. **Davis:** But that one is mixed. It's got 5 different subjects in it. One is your finance but then there are other things in it. Can somebody tell me why we have so many mixed things in one ordinance? It seemed way too much to me. **Thompson:** We have a bond counsel that looks over our bonds. I guess it's the language they have to put in place. Periodically, every time we roll those notes, we may have bought vehicles, fixed streets, etc. They have to list everything. **Davis:** It just seemed like so many items in one. **Thompson:** There is always lengthy wording when we go through that bond process.

Hardin: What's our rating? **Thompson:** Our rating with S&P is A-. They give us a report every year. Some of the other information I was providing, I just gave you a little summary or graft of the income tax collection over the last 20 some years. If you hone in on the right, you kind of see how we were moving up over \$7 million in 2019. Of course, COVID hit in 2020 which brought it down through 2021, we started making some trend back in the other direction. When you read this, the corporate withholding in the blue that we get from all the companies, the profits are in the yellow and the residents is a small portion of what we collect is in the purple. There was a question about the Kroger project revenue.

I did a one pager to reiterate how the deal went. The payroll withholding is \$450,000 is what we are expected to get based on a guaranteed \$18 million payroll. \$165,000 from TIFF with a guaranteed \$615,000 yearly. **Davis:** How come we don't have anything from McBee on what we are expecting? **Thompson:** I will go back to the Mayor's exhibit and see what he did. I don't think they had a guaranteed version on theirs. Sometimes historically I look back at the historical withholding since I have access with the program in RITA. That can kind of give us an indication. I am sure they stated with the Mayor. A lot of times when they say they have so much income, we can go back and spot check what they have been turning in to the RITA system. Now we can jump to the debt portion. The amortization schedule that we show our payments pretty much simultaneously. Every June and December I have to make these semiannual payments. This show the categories of the payments that I make throughout the year. I have a single sheet showing the total that we got, and the bonds are at \$2,275,000.00 and the notes are at \$1,975,000.00 which is \$4,250,000.00. In servicing this debt, this is the amortization schedule where I make my payments. We got a year we will be retiring this series 2003. Every year we pay down \$428,000 a year. Then on the notes, I am paying down \$225,000 a year. So, in total I am paying down \$653,000 on the notes and the bonds. **Hardin:** So, you think you will have series 3 paid off by when? **Thompson:** Next year in December, that will be paid off. When we pay off that first part, it will free up \$100,000 that I won't be paying. **Davis:** So, do you divide it up and put more towards the other ones? **Thompson:** That may be something to put in the capital improvement for a new city hall. But I won't have that obligation until after 2023. **Hardin:** To me, this is the best thing you have ever given me. **Thompson:** I know you like that report. It's a really good model to follow. **Hardin:** I really appreciate this. It will help make a decision and Candace is **inaudible-background noise** and Councilperson Gaither is saying we need the municipal building too. So, I would hope whoever is here at the end of the year, will remind us we retired this series 3 and, in the meantime, we don't take on anything else. Then we will know, at least put \$25,000 in each of those funds to start the fund. **Thompson:** To have those additional dollars start accruing for the new city hall in our capital account which is our 401 account. **Hardin:** Because in 2023, there is nothing totally retired again until '27. **Thompson:** Yes. **Hardin:** This gives everyone an idea of where we are and when we get something to work with, we should all remember that. And you at the Finance Director, you know what we are asking you to do. We have been saying this for a couple of years. **Thompson:** I have had a lot of conversation even with the bond counsel and just with looking at our profile, they are saying it will probably be, when we look at it financially, we definitely would be able to maintain that million dollars in the general fund. Then start to take some dollars and put into the capital improvement. But definitely freeing up this debt obligation can be a start. **Hardin:** When you are talking on our behalf, you are the one talking to debt counsel. Let them know this is 3 years (banging) going down the line and neither one of those are happening. Now that we are coming into this windfall, I will speak for myself; I have a lot of designs on that money. We all have ideas on what we want to do. And we still have the exterior maintenance program sitting on the shelf back here which started in 4 and we've got to do the rest of the wards. **Thompson:** In terms of previous plans for city hall? **Hardin:** The exterior maintenance program we extended. So, all of that is sitting there waiting for funding. **Thompson:** Just to wrap up, I have this tax budget exhibit for one of the legislations tonight. Just an annual piece of information I submit to the county. Just for your information, I gave you a quick synopsis of what a tax budget does and it's a really good explanation. It doesn't appropriate anything for the current upcoming year, but you can see 1-3 what the tax budget does. If you flip through a couple of pages, it says the Division of Taxes Levied, those rates have been there for some time. Remember throughout the year, we sign that tax rate resolution by every council member. So, I am reiterating it. They actually send me a Schedule A and they show me the value of the village and the tax rates we have in place. So, I just reiterate the information that has been provided and put the anticipated revenues from the sources. The Unvoted General Obligation Debt, I put the numbers that we just discussed in terms of how much we owe in our debts, our notes, and our bonds and put what we have to service for the upcoming year to pay principal and interest. The last page is statement of activity showing all our funds. I have to provide them with what the balances were at the beginning of this year, the general property tax, the local government is provided from the county, so I resubmit those and then put other sources in place for upcoming '23. This something we do every year around this time. **Hardin:** So, you're saying your format is changing? **Thompson:** No, the format is not changing. It's still the same format. I submit to them by July 20th. **Davis:** So, July 20th you send this to them, but it has the unencumbered balances as of January 1st and then it goes to July 20th? **Thompson:** No. They want the balances from the beginning of this year. They gave me the perpetual property taxes collected for '23. This just shows the resource potential anticipated for 2023. **Williams:** You have some new reports that you don't usually provide. Is this due to the new system? **Thompson:** It could be. We put those together and it may be like the reports you were getting before. We always show the state of cash position, the refund, the revenue summary, the expense for all funds, and I think that is all we have. You have all that before, but it does look different, and we do print those back-to-back to shorten the report. **Williams:** And now we have the expense report with the encumbrance details which you have already spent against each of these funds through May? **Thompson:** Yes, through the current. **Williams:** And are you showing us the check detail for every vendor for the entire month? **Thompson:** Is

that passed out to you, Christine? I don't think I passed that out. **Morgan:** That is what was given to me by Ralph. **Thompson:** Okay. That would show all the checks. I think we had a report that showed all the checks, and we discussed it before. We keep going back and forth but that is the information. **Williams:** I prefer not to go back and forth anymore. I prefer to see this every month, but can we have it from January to April as well? **Thompson:** Do you want it separated by month or just...? **Williams:** No, separated by month. **Thompson:** So, January through April and provided every month. **Williams:** When we get back, it will be August, so can you just bring us up to date so we have May.... **Thompson:** Whatever we discussed in the finance meeting, I will bring them all the way current; separate months. **Williams:** Got it. Thank you!! **Davis:** But we will have that before our meeting so we can look it over. **Thompson:** Yes. **Williams:** And then this expense audit trail report. Can you explain what this is because this is the first time I've seen this. **Thompson:** When you get this audit trail report, it will show everything for the month that totals up.... **Davis:** Does that say what page it is? (**Williams showing Davis**). **Thompson:** This expense audit trail report is going to be your drill down to see what exactly spent in that line item that's in the bold black and it will show encumbrances, invoice numbers. It's just a more detail way to show you what happened in the month. And this report is going to tie up to your monthly numbers on your report. **Williams:** I have not seen it like this before. So, this is for every fund or is this a specific fund? **Thompson:** We have to process and run it for every fund. I don't know if you got the complete.... **Williams:** Yeah, because it can't be complete. It's too tiny to be complete for every fund. **Thompson:** It can be run for every fund and every line item will be really big.... ***inaudible-both Williams & Thompson*** **Williams:** What is that? You don't know what that is? **Thompson:** No, it's showing you everything that has been spent on every line item in the whole budget for the village. You can get that on every line item that we have in this big book. What we can do is we can run revenue, too. But what you do is you separate your revenue reports in the report you got, and the encumbrance detail will show you everything on these lines in detail on here. **Williams:** This is the summary of this (other report)? **Thompson:** Yes. **Williams:** Got it. **Thompson:** Yes, and it will tie up your month to date expenses. **Davis:** On your expense audit you have landscaping Kroger site. Why are we paying for the Kroger site to be landscaped? **Thompson:** He goes through some beautification over there. I think Tommy and them put some annuals for the year so that's the charge for the flowers, too. **Williams:** In the amount of \$225,000? **Thompson:** That \$215,000 you have to realize under 201 that is our streets as well. So, that \$215,000 is a payment to Vallejo. It's one of the paving contractors. We pay those out per legislation that Ed had in place before he went to the bid process and that was the payment to that paving company. **Gaither:** We will have to start the meeting. **Thompson:** But a lot of those come back from reimbursement from the county when he talks about grants and things like that. But that was just a payment. **Davis:** But \$3,000 for Kroger? That is what we had to pay for landscaping the Kroger site? **Thompson:** That was in May? Yeah, he would have bought some things for the Kroger site.

MOTION TO ADJOURN by Davis; Seconded by Hardin

VOTE YES: Gaither, Callender, Hardin, Matlock, Davis, Williams

MEETING ADJOURNED: 7:02pm

Adopted

8/24/2022

Christine Morgan, Clerk of Council

Johnnie Warren
Johnnie Warren, Council President