

VILLAGE OF OAKWOOD
FINANCE MEETING MINUTES
January 31, 2023

ATTENDED

Johnnie Warren President
Elaine Gaither Council at Large
Chris Callender-Ward 1 (late)
Eloise Hardin-Ward 2
Paggie Matlock-Ward 3 (late)
Candace Williams-Ward 5

Brian Thompson-Finance

ABSENT

Mary Davis-Ward 4

Tom Haba-Service
Ed Hren-Engineer
Gary Gottschalk-Mayor
Carlene Perez-Recreation
Mark Garratt-Police
David Tapp-Fire
Daniel Marinucci-Building

Meeting opened approximately 7:06pm by Warren
Pledge of Allegiance and attendance taken.

ORD 2022-74

Introduced by Mayor &
Council as a whole
TABLED

AN EMERGENCY ORDINANCE AMENDING ORDINANCE 2022-25 AS AMENDED
MAKING APPROPRIATIONS FOR CURRENT EXPENSES OF THE VILLAGE OF
OAKWOOD DURING THE FISCAL YEAR ENDING DECEMBER 31, 2022, AND MAKING
NECESSARY TRANSFERS AND ADDITIONAL APPROPRIATIONS

Warren: Any question? Can I get a motion.... **Williams:** I have questions. Give me one second. **Resident 1:** Excuse me, council president. Is your audience allowed to ask questions in special council? I don't know the rules. **Warren:** On a special council meeting, we don't. **Resident 1:** Okay. **Williams:** I have to share yours because I left it on my table. **Thompson:** Okay. **Williams:** So, I noticed and it's this document. **Thompson:** Yeah, I shared this for additional information; the cash report for the total year end revenue vs. expenses. **Williams:** It might have taken me a little second to connect the dots but am I understanding that the general fund, this unexpended balance \$636,000 and then we reduce it by \$63,000 and we ended with the \$573(k)? **Thompson:** Those are after incumbrances, but the balance that rolls over to the new year is this unexpended balance. **Williams:** But the transfers then come out of this \$573,000? **Thompson:** Yes to subsidize those funds. **Williams:** So, we're left with about \$145,000 going into 2023? **Thompson:** That will probably be after incumbrances. I know it's about \$211,000 unexpended balance. **Williams:** Okay, let's start back over. So, the unexpended balance is \$636,000. **Thompson:** Yes. And after the transfers about \$211(k), so after incumbrances, you can take the \$211(k) minus the \$63(k), so that will be.... **Williams:** \$145,000. **Thompson:** Yes. **Williams:** Okay. I remember in a prior meeting you said we ended the last several years at about \$200,000 to \$300,000. So, are we coming out lower and are we ending the year with these types of balances? Is this what we are starting with.... Is this typical? Because that is a lot lower than what we discussed. **Thompson:** I got the last 2 years actually for council if you want to share it. I just brought it as a history. I got '20 and '21. So, historically, last year we ended with \$72,355. **Williams:** So last year, we had less than \$100,000. When I saw the numbers, I was like.... So, last year we had less \$100,000 when we ended the year? **Thompson:** Yes, that was discussed. We had \$72,000 and in 2020, we had \$327,000. This year we will end \$211,000 after transfers. **Williams:** So, in 2020.... **Thompson:** \$327,000. **Williams:** Did we have any transfers out on this balance? **Thompson:** Yes, there were transfers. That's why you don't have any negative fund balance. **Williams:** So, did we end the year with \$327,000 minus this \$19(k) minus then the transfers out? **Thompson:** No, the transfers are included in the unexpended balance. The outstanding incumbrances, if you take those off, it would be \$307(k). **Williams:** So, \$307(k) for 2020, \$72,000 for 2021 and \$145,000 for 2022. **Thompson:** Yes, ending. **Williams:** What are we projected to have in 2023? Have you done those projections? **Thompson:** I do have some

projections in place. I don't know if I have my exhibit with me. But I did put some assumptions in place for '23.

Williams: And then a question we have kind of been bouncing around is are we comfortable with these balances being this low? As the finance director, what do you strive for to end the year with? **Thompson:** I mean the balances have been fluctuating with the level of services we provide. We have some strong expectations for 2023 with new revenue. I don't have my total exhibit here, but this is the level it has taken to maintain the services at this time. **Williams:** Let me ask that question one more time. So, when you look at the projections, do you ever look at it and think as a village with a \$10 million budget, we should end the year with around \$300,000. Can we reduce the budget to get to that \$300,000? **Thompson:** Yeah, you can reduce it.... **Williams:** What is the planning in trying to keep the balances at a certain level? What is that number for you? **Thompson:** Yeah, right. You can reduce it. It will just.... You have to evaluate 60% of our expenses as salary. Any potential, you may have to scale down employees, but it's all a process. You project your revenue; you have your expenses. I mean, it's been fluctuating over the last 3 years. We're anticipating a nice bounce in income tax in 2023. I did make some assumptions. It's not here right now but we can provide that information to the clerk. **Williams:** Okay. Can you share those? I would like to see what your projections are for 2023 for us to end the year at. **Thompson:** Okay. **Williams:** But I am very concerned. The \$72,000 I do remember us discussing that and a few different numbers. \$72,000, is that not low to you? Is there something attributed to that.... **Thompson:** Yeah that year that we discussed in quite a few of the meetings this year was due to some of the reimbursement process with have with the county through the engineer. He came in one night. Not sure if you were here that night (12/30-Williams was not in attendance) and he gave a really big presentation about the ins and outs for the street projects. But that was the discussion surrounding the \$72,000. **Williams:** So, then we were reimbursed in this year that just ended, correct? **Thompson:** Yes. **Williams:** But we're still ending this year at \$145,000. **Thompson:** After incumbrances. It will be \$211,000 before. Incumbrances can be closed but we would like to keep those in the previous year's dollars so you don't take it out of the new budget for the department heads. **Williams:** So, just following your reimbursement that you brought up, that we didn't get in 2021, but you posted in 2022 essentially, correct? **Thompson:** Yes. **Williams:** So, we ended 2021 with \$72,000 but even with that reimbursement, we still only ended 2022 \$145,000. **Thompson:** \$211,00.... After incumbrances. You have got to realize; a lot of things happened during '22. Even though you get your reimbursement from the prior year, when you look at all the projects that you have scaled out this year, has an impact on the revenues, reimbursements and expenses for the current year. **Williams:** Okay, so, as the finance director, you don't have a target number where you say, this is where we would like to see the village because this number makes us financially stable. Because \$72,000 for a village as a government entity seems awfully low to be comfortable with. **Thompson:** We are moving forward in the right direction. I'm optimistic for '23. **Williams:** So, \$145,000.... **Thompson:** We looked into it before. There is really no set number, but we always try to target \$1 million and to make that happen, it would be a real evaluation of services to kind of get to that point. **Williams:** Okay. **Thompson:** I did put some projections in place, and I think it ended definitely higher than in '22, so I can share those with the clerk and disseminate to the council. **Williams:** So, if we try to target \$1 million and we ended at \$72,000 last year and a \$145,000 this year, what is it in particular.... What strategies are you implementing for us to then move closer to \$1 million? **Thompson:** Well, the administration is not looking to lay off or anything like that. Like I said, your payroll is 60%. We are anticipating the infusion of the new income and our services in different departments will remain status quo. I think also, upcoming this year, we will be retiring a couple of debt obligations in our leases and our bonds so that is going to free up some cash flow as well. That's about \$150,000. So, some of those variables are moving us in the right direction. **Williams:** As you free this money up, have you identified that money has been freed up or are you then moving money around and people are overspending and eating that money up, too? **Thompson:** Not moving money around because when you evaluate your statement of cash position, that somewhat keeps a concrete picture. When you see that moving around, it's just the appropriations and they can be raised or lowered. But usually as you end your year, you reassess to the County what your final numbers are and compare to your estimated resources, then you make the amendments. **Williams:** Okay, so you said the infusion of the new revenue which, what were you speaking on specifically? **Thompson:** Potentially some of the new companies that's coming into play. **Williams:** Okay, so other than those 2 things, the retiring of the debt obligations and the infusion of the new revenue, we don't necessarily have any strategies to move us closer to the \$1 million ever. It's just like we end there, so be it. **Thompson:** No, we strategize. We have our amortization schedules. Like I said that on that debt issuance, as we move throughout the year and decide maybe or maybe not to do some street projects that usually take up quite a bit of cash for the village. The culmination of all those things comes into play when moving the balances towards the million dollars. **Williams:** Okay, so, if we ended 2022 with \$145,000, as we sit here now, what is your target number for 2023? **Thompson:** For 2023, I believe my assumption is somewhere around three hundred and some thousand. **Williams:** \$300,000 or closer to \$400,000? **Thompson:** \$300(k) to \$350(k). If you look at all the funds in the report, look at the bottom and that is the general fund. But if you

look at all funds, I think it's somewhere around four hundred some thousand right now when you look at all funds. That is just one fund you are homing in which of course is responsible for all funds, I think we have \$400,000 in all funds.

Williams: Okay. I see, I don't think we are doing anything strategically as an administration and council to move toward that one-million-dollar number. However, **Thompson:** I think we are. We stand aggressive and allow the CRAs, the tax incentives we offer to a lot of the companies. That comes into play. I mean if the village is looking to say.... We had a resident in the last meeting state that the services were great, and things were going good and they enjoyed the police, the fire, the service.... I mean that is what we're maintaining now. **Williams:** I am trying to separate those. I don't want to lose sight of.... So, the TIFs and CRAs, are you counting those in.... **Thompson:** No, those are separate funds.

Williams: Those are separate. You didn't mention that as moving toward one million. Now we have debt obligations, you mentioned amortization schedules, you mentioned TIFs and CRAs, the infusion of the new revenue. But outside of that, that's it. Because you said we're being aggressive. **Thompson:** Yes, we are. Especially with these companies. And the TIFs and CRAs are separate funds but some of those actions, the companies tend to stay here, jobs get created. They stay in the village so we've seen a tendency for that to happen with some of those incentives. **Williams:** And do those help us move toward that one million dollar.... **Thompson:** Oh, yeah. They increase income tax on the employees.

Williams: Okay, I would like for us to set aside some time to be clear about what moving toward that one million dollars looks like. Not just for next year, but do you have a plan for the next few years? **Thompson:** We usually just scale out one year right now for the village so, we don't scale out 2-year budgets. **Williams:** Is there a reason why you don't?

Thompson: No, not really. There's a lot of variables involved in making the assumptions. We have been successful in the last years with the fluctuation of the budget, but we have never ended up with any negative funds. **Williams:** Let me ask you a different way. Is there any benefit to scaling out 3-5 years as opposed to one year? **Thompson:** 3-5 years tend to have some extraordinary things happen. I kind of like going out the furthest 2 years instead of a 3-5. You could probably put a 3-5... what do I want to say...not so much a capital plan but.... I am trying to think of the word. **Warren:** While you are thinking of that word.... **Thompson:** The 5-year plan in the past. That's what I was talking about.

Warren: The 5-year plan I think is great to project on a solid 3-year plan and the 5-year plan is only 2 years subsequent to that that would be a comfort into the total 5 year plan. Of course, each year, the 5-year plan moves up a year but at least you have your core 3 year plan. We know and realize that since 2020 with the pandemic, it had a significant impact on revenues across the nation because everybody is laid off, people not working the community and paying taxes in the community they live in. All of these things are relative to the economic revenues or the revenues we have in the 62% or 68% percent of our revenue come from the payroll tax. The payroll was impacted due to the pandemic. I see that we can project a more realistic projection post 2022 going forward because of a) people returning to work, revenues seem to be picking up in addition to the businesses we are bringing into the community that will be off and running. But we won't realize the revenues for those until McBee and definitely Kroger. We won't be looking for any realistic revenue until maybe '25 or '26 except for the cost of the employees working there doing construction of the facilities. We should be getting revenue from those workers working within the village from the contractors when they pull in the permit.

Thompson: A lot of that happened when they repaired 271. We got a little infusion from those workers here in the village, so that's an example. **Warren:** And it still should be even from the construction work going on at Kroger and should be discussed with those workers. They should clearly understand that for any business that's starting. **Thompson:** The income tax. **Williams:** Let me follow up and make sure I have.... So, I would like to see a report with the 2023 revenue projections that you have. I would also like to see this number that you project us to end at in 2023. But I will also like to.... I had asked you before, I wanted to see where we ended the year from 2015 through now? So, if you can give me 2015 to 2019 because to end the year in 2020 at \$307(k) then drop to \$72(K), then go up to \$145(k), it doesn't look like there is any steady trend. **Warren:** Well 2020.... **Thompson:** ...was COVID. **Williams:** Let me finish my comment. So, I know the pandemic existed which is why I would like to see 2015. **Thompson:** And part of '21.

Williams: However, at some point, we can't keep saying the pandemic. We have to figure out a way to project and hold steady moving toward \$1 million. I mean the pandemic at this point, we have had to find ways to adjust. Even in our own households. **Thompson:** Right. And even in your own households, to make that happen, you have to have more income or reduce your expenses. So, it's a direct correlation. **Williams:** To my point.... **Warren:** ...more control of our revenue also. Because we're on salaries and everything where we're anticipating getting money from businesses that are coming into the village. So, it limits the amount of control we have on our revenue and that is where everything is speculative. I understand that but one of the big things we have done is being proactive in getting businesses in the community and seeking the 2 ½ % payroll tax and increasing that. I believe that and I agree with Councilperson Williams that we should have a solid, hardcore 3-year projection for every year with a 5-year plan. But a 3-year core projection and that's the one year term that next year adds but it still should be a 3 year projection. This is a good opportunity for us to get some kind of realistic picture of the revenue stream since things are lifting up and production is becoming more of a

reality. **Williams:** And it's also a good, to what you just said, when you talk about you either have to increase your income or decrease your expenses. **Thompson:** A combination of both. **Williams:** Right. And so that conversation has to be had. Like if we can't stabilize where we end our balance at, then we may need to look at that. That's not unreasonable. **Thompson:** Okay, thank you. **Williams:** So, I had a question about the ambulance billing. I'm not sure what page it's on. **Thompson shows Williams.** I thought that we had this revenue fund and it relatively sat unused or expended for extraordinary things. But we literally received \$340,000 and spent.... Is it \$311,000? **Thompson:** No, you're looking at the appropriations. We set the assumption.... **Williams:** Oh, this is not the sheet I was looking at. The sheet I was looking at showed that whatever we took in, we spent everything by \$5,000? **Thompson:** Yes. We utilized that for the fire department. It's not like it's extraordinary.... **Williams:** So, the fire department, that's in addition to its regular budget we approved. **Thompson:** Yes. **Williams:** Can I see a detailed expense report for the last 2 years? What are we expending out of there that we are spending all of it except \$5,000? **Thompson:** You have equipment, you have repairs and maintenance.... **Williams:** I thought they added equipment to their regular budget. **Thompson:** Yeah, but you still have categories under 217 that they can use out of that fund. **Williams:** I'd like to see that expense report. The detailed expense report for the last 2 years. **Thompson:** We do provide that every month. You just have to go to fund 217 to see it. But I can put it in a summary form for you. **Williams:** Yes, I'd like to see it. And that is the 217? **Thompson:** Yes, the 217 because that is the ambulance billing and general fund is 1011113 for fire department. **Williams:** And then my last question I think was about the CARES and ARPA monies. **Thompson:** Yes. **Williams:** I was confused by what you show here in 250 and 252. I don't know how much we took in for opioid or if we did in 2022 at all. **Thompson:** Yes, the opioid settlement is kind of new. We started getting in some revenues.... **Williams:** The CARES and the ARPA, I know we received dollars.... **Thompson:** I got the CARES and then I separated the ARPA federals coming in for the 250 and the ARPA community grant. **Williams:** But the ARPA and the CARES are two different federal funds, correct? **Thompson:** Yes. **Williams:** So, why are they co-mingled? **Thompson:** They are not co-mingled. I got separate funds on the books. **Williams:** But in 252 it shows we didn't take any ARPA money in 253. **Thompson:** Right, we anticipate those dollars coming in, so I created the fund. **Williams:** But I thought we received them in 2022 as you said. **Thompson:** Some of the community grant dollars but the ARPA federal, we just created the fund this year for the \$250,000 we are going to use toward the streets. **Williams:** So, what was the hundred.... **Unknown voice (male):** \$130,000 **Williams:** We received monies because you gave us the number. I don't have my documents with me. I am so bothered I left them on my table. **Unknown voice (female):** Excuse me. **Williams:** They look like they are sitting here in one line together and I thought we explicitly said they were required to be separated. We didn't receive any CARES money in 2022, did we because it had to be spent by... wasn't it 2021? **Thompson:** The CARES money, they both had somewhat of a deadline. But we had the CARES and the ARPA community grant dollars. One was a community grant, and one was Federal, so that's why I separated the funds. But I can provide you a detail.... **Williams:** No, no, no, I'm clear that you separated the funds. But what I am not clear about is why the money is sitting in the fund. **Thompson:** It's in the fund. It's all in the 250 right now. **Williams:** *inaudible-Thompson/Williams* ...talking in circles. **Thompson:** I'm not talking in circles. I can provide you with a detail of the difference in the revenues and expenses. I don't have it available here. **Williams:** But aren't 250, 252 and 253 three separate funds? **Thompson:** Yes. **Williams:** But you're telling me the money is there.... **Thompson:** We had to create those. **Williams:** ...but there is nothing.... **Thompson:** It's in the 250. We had the new opioid settlement, part of the ARPA money was community grant and part was federal. **Thompson:** I can provide you with that detail.... **Williams:** So, let me read this cause my notes I wrote down.... **Audience member speaking (Karen Howse-resident):** ...answer any questions. **Williams:** So, you budgeted this \$191,000 in the CARES act fund, right? **Thompson:** Yep. **Williams:** But I thought we talked about you doing the expense adjustment so it will be moved to this, and I thought, 'I know I'm not going crazy here,' that I would be moved to this 253 ARPA federal fund. **Thompson:** No, the ARPA federal is the \$250(k) for the streets. **Williams:** No, 250 says CARES act and 253 says ARPA federal. **Thompson:** I'm sorry, yes. 253 is ARPA federal. That's going to be the \$250,000 that you just referenced. **Williams:** But the CARES act money I believe had to be spent by 2021. **Thompson:** They have. The CARES dollars have been rolling forward between the CARES and the ARPA money that was the grant dollars. So, we are going through that process with audit review on those dollars. You'll see. But I can provide you with the details behind both. **Williams:** Let me just ask this; are these funds in the wrong line item as we see them right now? 250, 252, 253. Are there monies that are not in the correct fund right now as I see this? Because it appears as though they are not in the correct fund. **Thompson:** That is being evaluated. I've got the funds on the books so we do have the transactions separate in the financials. **Williams:** Okay, that is what I was trying to get at. We need to approve this today, but these funds are still not in the correct place, is that correct? And who is evaluating it? **Thompson:** The state auditor. **Williams:** So, how can we approve it.... **Thompson:** You can because the appropriations are there. **Williams:** I think that is what I am confused about is I

thought that.... So, we had the December 30th meeting and we didn't have this document. Then we had the next meeting, this document wasn't there, and you said you needed it by January 13th and here it is January 31st. **Thompson:** The document has been there, but you guys commissioned me to go back and put in place how the financials are going to look final for the year and that's what I did. So, when I went back and made all the adjustments on the appropriations, because ultimately from the county, I need a 'do not exceed' certificate to project my estimated resources so we'll be in line till the end of the year. I also have to do that for the first of 2023. **Williams:** So, is what you're saying to me that these 250, 252, 253, federal funds still are not.... **Thompson:** They are not all federal. Some is community grants; some is federal. **Williams:** But ARPA is a federal fund, correct? **Thompson:** There are 2 parts; a community and a federal. The federal is the \$250(k) you are about to get for the streets. **Williams:** The American Rescue Plan is federal funds, though, correct? Or were they.... **Thompson:** That part of the ARPA is but the money that was rounded to the county for the streets was a community grant. **Williams:** So, that's technically from the county? **Thompson:** Yes. **Williams:** So, is it.... **Thompson:** The \$250(k) that is coming up.... Yes, there are 2 ARPAs; ARPA federal and ARPA community (repeated) that they passed through. **Williams:** So, our county money.... I mean we have ARPA dollars that are not ARPA dollars because they were given to the county and they are coming from the county to us. **Thompson:** Yes. **Williams:** Right. And then we have ARPA federal dollars. **Thompson:** Right. **Williams:** So, how is this final if the funds are.... That's just what I need you to clarify for me. How is it final appropriations and transfers if the funds are still not in the correct place? Is this what you're submitting to the county or are you then going to make additional changes? **Thompson:** Yes, because all of my funds are on this report. But that is also under review as well with the audit. I do have the funds in the books, and they will make the final adjustments. But I have it all accounted for in the financials. **Williams:** Who is they? **Thompson:** The state auditor in review. **Williams:** So, okay let me ask this; when they.... When is our audit supposed to finish? **Thompson:** Pretty much now pending a special investigation they were working on. **Warren:** This is due.... **Thompson:** This is due today. I am turning this in today. **Warren:** You got an extension though and it's beyond today. I know that for a fact that it's beyond today. **Thompson:** I had it set for submission today. That's what we discussed at the last meeting. **Warren:** At the last meeting but your extension exceeds that, right? **Thompson:** No. I had it set for today. **Williams:** Did you have it set in your mind to submit today or is it the final deadline to the county? **Thompson:** No. The deadline was on the 13th. I got it extended to today. **Williams:** I'm just.... You're not answering my questions.... **Thompson:** I am answering them. I'm telling you where the funds are. ***inaudible-Williams/Thompson*** This is the numbers on the financials. It's all tracked. **Williams:** I get the numbers are in the financials but it sounds to me there is additional work that you need to do to make it final. But you're telling me.... **Thompson:** But that's in review of the audit. My numbers to the county are pending that. This needs to be submitted to the county. **Williams:** So, are you telling me basically that our state auditors want you to submit a document that's not final and that you have to go do additional work.... **Thompson:** No, it is final because this is going to be my final 2022 report. These are my final revenue, expenses and appropriation changes and transfers. **Williams:** But how they can be final if the funds are not in the correct place. **Thompson:** They're there. The funds are on the books. **Williams:** The funds are in our books in the budget.... **Thompson:** Yes. **Williams:** ...but the funds are not in the appropriate fund is what I'm asking you. Is that correct? **Thompson:** It's in the funds, yes. **Williams:** So, explain to me the process you're saying the auditors.... So, our auditors are going to go back and change this and put our funds in the correct place? **Thompson:** Yes, we do what is called a cash report conversion and that's what they evaluate.... **Warren:** Let me do this. I am going to poll council and there may be some specific question that can be addressed because we have got to move forward with this. *(Resident has made gestures and passed notes. The decision was made to poll council. Clerk polls council and received unanimous vote to allow resident comment and questions.)* **Warren:** When Ms. Williams is done.... **Williams:** I'm done. I can't ask questions any other way.

Floor opened for public comment.

Warren: Any questions related to this task because this is a special meeting and the only thing that can be discussed is the item that is on the agenda which is the authorization to transfer. Anything else cannot be entertained.

Resident 1 Karen Howse 7209 Glenshire: Like I said, I wanted to know what the rules are. I didn't want to break them. I appreciate you addressing that. Are you being audited right now for 2022? **Thompson:** No, not 2022 but we do have to finish up with a cash report. **Resident 1:** Why did you say that the auditors are looking at adjusting for 2022 when you're only being audited for 2020 and 2021. **Thompson:** It's been a rolling ongoing assessment for the past couple of years with the ARPA and the CARES and you will see that in the previous year's audit. **Resident 1:** Okay. There's no rolling so let me just say this; I did ask you this privately. I did ask you this privately. I think I see.... I see where councilperson.... I did send my question because that's what I was going to ask. Because when I looked at the

documentation on the website. What I noticed is on your statement of cash for these 3 funds 250, 251, 252, we discussed and we distinguished between all of them. You specifically stated from prior year council meetings that you were going to move the money that was improperly posted in the CARES act. Because in 2020, that fund was supposed to be closed up to 0. You were supposed to report to the federal government what your expenses were in the 250. And you said you didn't care about that. You said you were going to do an expense adjustment to place those funds that you received. You actually received federal ARPA money that should have gone into the ARPA federal fund. You said you were going to do an expense adjustment. So, if you do an expense adjustment, you have to amend the appropriations to accommodate those expense adjustment of \$191,324. That is the proper way to do it. There's nothing rolling. The only thing that is rolling is your unexpended balance that rolls over. Because what that means is if you roll it the way it currently is Brian, you're going to have a beginning balance for a CARES act fund that is supposed to be 0 at \$767 and that's what you have to certify by the county; the unexpended balance. So, I know for a fact the auditors are not touching 2022 because you have not closed 2022 yet. You haven't even passed to permanent appropriations. **Thompson:** Yeah, but they're reviewing. We have to go through an additional conversion report.... **Resident 1:** They are only reviewing.... **Thompson:** ...we do it every year, Karen. We do.... **Resident 1:** I understand.... **Thompson:** We do a conversion report every year. They are aware of it. There's 2 organizations-one from the state and one private-that are reviewing the separation of the funds. **Resident 1:** I get that. But you're being audited for 2020 and 2021. All I'm saying is.... I am assuming this is what you're asking.... This is what I was going to ask because you promised you were going to fix that before closed. You were supposed to amend the appropriations to show the expenditures coming out for federal. And then you said you were going to move the expenses to that fund. It has nothing to do with the auditors. **Thompson:** It does, because they are aware of where all the funds are Karen. They are. **Williams:** But you said.... **Thompson:** Because they have to make the assessment. I'm making the assessment upon the review of the auditors. **Williams:** You said you were going to move it in August and it's the end of January. What I am having difficulty comprehending is why it's a half a year to put the funds in the correct place. **Thompson:** Because I am most comfortable with the review from our state auditor and the private firm to assess in making that adjustment. **Resident 1:** So, you're saying.... **Thompson:** And that's not uncommon. **Resident 1:** Yes, it is uncommon. **Thompson:** It's not uncommon to make adjustments. **Resident 1:** You're making adjustments for '20 and '21. It is uncommon. It is uncommon what you're saying. You're saying that also the auditors are currently right now also reviewing 2022 when they have a contract that they are supposed to audit 2 years at a time; 2022 and 2023. Why would they be auditing or telling you what to do with the ARPA funds that occurred for ARPA for 2021? They would be auditing that. Why would they be auditing 2022 when you haven't even closed yet? **Thompson:** They audited '21, made a comment in the audit and it rolled into '22... **Resident 1:** So, you're saying.... **Thompson:** ...so, they are due to make adjustments. **Resident 1: *inaudible -Resident/Thompson*** **Thompson:** Yes, I said it was complete due to they had a special investigation. They were looking at a matter. **Resident 1:** Thank you for that. I just wanted to be clear and then I will sit down. So, you're saying for the record the auditors told you not to do any amendments or expense adjustments because they were reviewing where the money should be posted. **Thompson:** To make adjustments. We know where the money is posted. It's all in the 250. **Williams:** Okay wait, this is different. So, now you're saying you're not moving the federal; because I know they don't belong there. It has nothing to do with Karen because I work with ARPA dollars in another job. I know they don't belong there but what you're saying is you're not able to move them because the auditors are.... **Thompson:** No, I didn't say I could not move them. I said it was my process to go under their review to make the adjustments. Everything is accounted for in that fund. **Resident 1:** No, it's not. **Thompson:** Yes, it is. If you look back on all the transactions-the revenues, the expenses-it's in that fund. **Resident 1:** If that is true, then your statement of cash would reflect that you have \$191,000 in the ARPA federal fund. If you're saying what you're saying, that it's accounted for.... **Thompson:** The 250 is a combination of both funds. **Resident 1:** The 250 is improperly posted, Brian, and you.... **Thompson:** But that's what we're discussing, Karen. Those are the adjustments that need to be made for the 250 that has the ARPA and the CARES in it. So, the auditors have to review and make that adjustment. That is the review I am going from the advice from. **Resident 1:** Okay, just to make sure I'm clear, you said the audit is clear. It's finalized.... **Thompson:** For the prior years. **Resident 1:** ...except for the pending investigation. **Thompson:** Yes. **Resident 1:** Then you're saying.... When are you having your exit conference? **Thompson:** Pending this investigation. It's up to their own timeline. **Resident 1:** But what I was saying is.... I think it's fair to say, you can call the auditors that are auditing you guys right now and ask the question why would they instruct Brian not to do the expense adjustment when we know it's ARPA dollars? **Thompson:** It's all accounted for. They know it's in the 250. **Resident 1:** It's accounted for but you placed it in the wrong fund. It's account for but you placed it in the wrong fund for the prior year for which they are auditing, right? But then you have a budget that is 0. You have a beginning balance that's going to roll over for 2023 when you close. It's going to show a \$767 beginning balance for this year and you're saying the auditor says, 'it's accounted for. Don't touch it until we tell

you what to do.' **Thompson:** Yes, because they are assessing it. They know it's in the 250. **Resident 1:** What are they assessing? **Thompson:** The adjustments that will have to be made for the ARPA and the CARES money. I did submit my final report to the OBM, so that's all complete. **Resident 1:** So, you reported it to OBM in the state that it's in now? **Thompson:** Yes. They asked me for all of the final transactions and everything, so I submitted it to them. There's a lot of players involved in assessing that. **Resident 1:** Okay. That's different but that's okay. Thanks. **Thompson:** You're welcome.

Floor closed

Warren: As it stands, the only question more so is procedural or whatever. I would like to get a motion to remove legislation 2022-74 from the table. **Gaither:** Based on what Brian needs to do and the discussion that has ensued, where do we need to go? **Warren:** The question becomes.... **Gaither:** Are we able to let him do this now and make adjustments later? **Thompson:** We can always make adjustments. This is where my financials are going to end per fund. **Warren:** So, you know where you have to put the money at this point? **Thompson:** Yes, to make adjustments. That's why we have the funds created on the books. **Warren:** Okay. **Hardin:** I guess, to ask Elaine's question in a different format, and this is to Brian. Even though he is the finance director, this affects the whole community. The fact that you need this legislation to make transfers is number one. Is that the correct statement? **Thompson:** Yes. **Hardin:** I understand that just asking for the extension does not create a problem in itself. It's duly noted. What are your consequences for not moving these funds as of today? **Thompson:** When the 2022 audit rolls around, you will have these negative fund balances that can have a ripple effect with issuing bonds and debt and quit a few things. But it wouldn't make sense not to. You have the money in the general fund. Historically, we have always subsidized the funds that have negative balances right now. So, you put the transfers down. **Hardin:** And I understand that part, so I guess where I am with this as my own personal thoughts on it, as we deal with monies here, I want you to understand that we understand. From this point on, you know that with or without Karen's help, we understand these numbers. **Thompson:** I knew that even before Karen got here. I mean we have been getting our audits done for the past 15 years. **Hardin:** Thank you. **Thompson:** I have never looked down that you didn't understand what was going on with these financials. I never took that, but all of a sudden it's whatever is going on. I'm still moving forward; I'm accounting for the dollars. There is no finance for recovery. We clear all our funds every year and they are not negative. So, with the matter involved, my financials are going to end up where they are now. **Hardin:** Yes. **Thompson:** But we got the professionals reviewing it, adjustments can be made and that's what we're dealing with. **Hardin:** Right. **Thompson:** You commissioned me to go and put the financials where they should be for the year and that's what I did. **Hardin:** Yes. **Thompson:** And I'm going to be in compliance with the county when I resubmit my estimated resources and my year and all those numbers. **Hardin:** Here is what I am saying to you, Brian. Going forward, what I am asking you is that we don't want to have to ask for things, okay? Give us all that you have. **Thompson:** And I have been doing that. I submit the financials every month, they are a public record for everybody. You get this cash report every month. I even go one step further in our finance committee meetings which a lot of the council members sometimes just don't make it and we have to rehash the questions again. But I do provide all of the information for here at the village. If a special request comes through, I don't think I have denied anybody. **Hardin:** Never have. **Thompson:** I give you the amortization schedule. **Williams:** Speak for yourself please. **Thompson:** But I have. A lot of time, no names, people are not here for some of those meetings and I have to go back and rehash everything. **Hardin:** As we speak today, do we have projected revenues yet? **Thompson:** Yes, I gave all that in the projected 25% for '23. I got my projections in place. **Hardin:** You've answered my questions.

MOTION TO MOVE 2022-74 FROM THE TABLE BY GAITHER; SECONDED BY CALLENDER

VOTE YES: Warren, Gaither, Callender, Hardin, Matlock **VOTE NO:** Williams

ITEM MOVED

Hardin: Point of Order. I asked the Clerk this. Maybe I am going back historically, we rotate the call for roll call. Is that a process that we can direct to you or is that the norm. This is the perfect time to ask that. **Climer:** I believe it is the custom. **Hardin:** To rotate it, is it not? **Climer:** Yes. There is no legal requirement to do that. **Hardin:** Starting with this meeting, I want all of our votes to be rotated in the manner that we are accustomed to. **Climer:** What manner was that? **Williams:** Typically, Deb (the previous clerk) did not say the names in the same order every time. **Gaither:** She doesn't rotate. **Williams:** They were always rotated. **Hardin:** I want them rotated. Is that a problem? **Warren:** No. **Williams:** And she just had a list of two different rotations. **Hardin:** And it's no reflection on this clerk. **Morgan:** I

followed everything that she (the previous clerk) had left from DAY ONE when I got here. It's been the same thing all the way across the board. *(FYI during this clerk's tenure of 18 months, the matter of the vote order has never been in question, and it was verified with the previous clerk, she rotated occasionally.)*

MOTION TO ADOPT by Gaither; Seconded by Matlock

Williams: Let me ask you a question. Are you able to make transfers more than at the end of the year? Are you able to do them quarterly or monthly or...? **Thompson:** Yes, I actually do them quarterly. I assess because transfers are permanent. I don't like to push it down if they're not needed. **Williams:** So, you don't have to wait till the end of the year to make transfers. **Thompson:** No. I'm processing them. If you look in your financials periodically, you'll see the transfer section being reduced as I evaluate the funds.

VOTE YES: Warren, Gaither, Callender, Matlock **VOTE NO:** Hardin, Williams

MOTION PASSED

Climer: There is a request to go into executive session, but I don't know the specific reason. **Williams:** Is the language correct on the agenda? **Climer:** It is and as I pointed out this afternoon, one of the subcategories with employment needs to be expressed for the reason going into the executive session rather than just a rendition of the reasons that are stated in the statute. **Williams:** So, for every meeting now, we are not just reading this as we have been, then we need to say which one of these things it is? Is that what you're saying? **Climer:** There has to be some expression of one of those reasons we are going into executive session for. **Williams:** So, from this point forward, they would read this and state for this specific reason. **Climer:** Correct. **Williams:** Okay, you can do compensation.

MOTION TO ADJOURN TO EXECUTIVE SESSION by (was not stated due to interruption)

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

7:58pm

MOTION TO RETURN FROM EXECUTIVE SESSION by

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

8:27pm

MOTION TO ADJOURN by Gaither; Seconded by Hardin

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

MEETING ADJOURNED @ 8:27pm

Adopted

2/28/08 3

Christine Morgan, Clerk of Council

Johnnie A Warren, President of Council