

VILLAGE OF OAKWOOD
SPECIAL FINANCE/BUDGET MEETING

July 10, 2026

ATTENDED:**

Council President -Eloise Hardin**	Mayor -Erica L Nikolic
President Pro Tem -Norman Bliss**	Law -John Montello**
Ward 1 Council -Taunya Scruggs**	Finance -Karen Howse**
Ward 2 Council -Yvonne Evans-Warren**	Engineer -Matt Jones
Ward 3 Council -Paggie Matlock	Service Director-Tom Haba
Ward 4 Council -Mary Davis**	Fire Chief-David Tapp
Ward 5 Council -Malcolm Sims, Jr.**	Building Director-Rodney Stephens
	Recreation- Karen Gaither
	Police Captain-John Freeman

LATE ARRIVAL-*

ABSENT:

Ward 3 Council -Paggie Matlock
Mayor -Erica L Nikolic
Engineer -Matt Jones
Service Director-Tom Haba
Fire Chief-David Tapp
Building Director-Rodney Stephens
Recreation- Karen Gaither
Police Captain-John Freeman

Finance/Budget Meeting called to order by Davis at 5:40PM

Pledge of Allegiance

Roll Call

Howse:

Interim Finance Director Howse explained that, since starting on **June 1**, she has been conducting a thorough review of the Village's financial operations and has uncovered several inherited issues. She emphasized that her comments are **not intended to criticize the previous finance director or current administration**, but rather to identify problems

that need to be corrected. He said he would later provide written documentation supporting his findings.

Key Points

- **Team effort to address backlog**
 - The finance department currently consists of three staff members, with additional assistance from employees in other departments.
 - Temporary support has been used to post receipts from prior months (February through part of June) and organize financial records.
 - Employees from other departments helped collect receipts, process payments, and ensure deposits were made while finance staffing was in transition.
- **Receipts and deposits not handled timely**
 - Howse said Ohio law requires deposits to be made within **24 hours of receipt**, but this has not consistently occurred.
 - He is developing updated purchasing and cash receipt policies that will reference the applicable Ohio Revised Code requirements.
- **Bank records and accounting records do not match**
 - Sample testing found that numerous **automatic payments** were clearing the bank but were **not being recorded in the Village's accounting system**.
 - This causes the accounting records to overstate available cash compared to the actual bank balance.
- **Lack of monthly reconciliations**
 - Although automatic payments for items like health insurance are appropriate, they should still be reconciled each month.
 - Required reviews to verify employee enrollments, terminations, and other benefit changes were not being performed.
 - As a result, the Village may be eligible for insurance credits or refunds after correcting these records.
- **Need to reorganize the finance department**

- While reviewing salary and wage ordinances, Howse concluded that the current staffing structure is inefficient.
- The department consists entirely of part-time employees, the office closes at 2:00 p.m., and communication and workflow are limited.
- She supports restructuring the department, noting that previous staffing included a full-time finance director and full-time accounting positions with part-time support.
- **Need for cross-training and segregation of duties**
 - Employees should be cross-trained, so essential functions continue when staff are absent.
 - Payroll and accounts payable responsibilities should be separated but backed up by trained employees to prevent operations from stopping during vacations or illnesses.
 - She described this as an important internal control and operational improvement.

Overall Message/Discoveries

Howse characterized her first month as one of **discoveries** rather than blame. She reported finding deficiencies in cash handling, bookkeeping, reconciliations, staffing, and internal controls, and said he plans to document these findings and implement new policies and organizational changes to improve financial transparency, compliance, and continuity of operations.

Interim Finance Director Howse explained that the Finance Department has been operating in a reactive mode due to the departure of the previous finance director and the lack of a structured transition. She noted that the mayor personally handled essential functions such as paying bills and processing payroll to keep operations running until she arrived.

Rather than being able to spend her first month on a planned assessment of the department, Howse said her time has been devoted to "discoveries"—identifying missing records, undocumented processes, and operational gaps—while simultaneously working with external auditors on the long-delayed 2022 and 2023 audits.

Regarding those audits, Howse said she made the decision to stop extending the audit process in search of records that could not be located. Instead, she and the auditors agreed to close the 2022 and 2023 audits with the information available, acknowledging that some items simply could not be verified. She contributed as much information as

possible to the required Management Discussion and Analysis (MD&A) and other audit disclosures, including debt confirmations and narrative explanations. She cautioned that the audits for 2024 and 2025 are also unlikely to produce favorable opinions because of ongoing documentation and recordkeeping deficiencies.

Howse emphasized that these audit challenges are occurring alongside daily operational issues and unexpected problems that continue to surface. She explained that many systems, accounts, and business processes had been established under the previous finance director's personal name rather than the Village's name, making records difficult to locate and access.

As an example, she described the Village's invoice email account, which existed but had been configured to forward messages only to the former finance director (Brian Thompson). As a result, no one else in the Finance Department was aware of incoming invoices after his departure. Once the account was redirected to Howse, numerous unseen invoices began appearing. She has since instructed the IT manager, Tom Sousa, to reconfigure the account so that all Finance Department staff, as well as the mayor, have access. Howse said this reflects a broader policy change to ensure all Village systems and accounts are established under Oakwood Village's name, with multiple designated administrators, rather than being tied to an individual employee.

Howse: Re-Engineering the Finance Department

Finance Director Howse said she has begun reorganizing and updating the Village's salary ordinance because she found it confusing and difficult to use. Positions within the same department were scattered throughout the document instead of being grouped together, making it hard to identify all positions within a department.

She also discovered that some employees' salaries fall outside the approved salary ranges. Howse recommended consolidating all positions and salaries into a single, comprehensive salary ordinance to improve compliance, transparency, and ease of administration.

Howse clarified that while separate ordinances may exist, they should also be incorporated into the master salary ordinance so future administrators do not have to search through multiple ordinances to determine authorized positions and salary ranges.

Councilmember Scruggs asked what the next steps should be to address salary ordinance compliance following approved employee raises. She recalled that Council's goal in 2024 was to establish pay ordinances for every position with defined salary ranges to prevent overpayments and ensure transparency. Recognizing that some employees' current salaries now exceed those ranges, she suggested reviewing and increasing the salary

ranges—rather than reducing employee pay—to align the ordinances with the approved raises and provide appropriate flexibility going forward.

Finance Director Howse explained that she is still developing revised salary ranges and asked Council to allow her to complete the work before reviewing it. She said the existing salary ranges are too narrow, causing employees to exceed the maximum after even modest raises, which forces repeated ordinance amendments.

Howse recommended establishing broader, more practical salary ranges based on the level of the position (e.g., intermediate, management, executive). She outlined a process in which proposed pay increases would identify all affected employees, highlight those whose salaries would exceed the approved ranges, and recommend corresponding range adjustments. She said this approach would improve transparency, reduce the need for frequent legislative changes, and give Council the information needed to make informed decisions on compensation.

Council President, Hardin asked Howse whether the Village should establish a formal schedule to periodically review salary ranges, such as every two or three years, to ensure they remain current and avoid recurring compensation issues?

Interim Finance Director Howse agreed that periodic salary range reviews are a standard best practice but said the Village can determine its own review schedule, whether annually or every two years. She reiterated that the current salary ranges are simply too narrow to function effectively and should be expanded.

Attorney John Montello supported Howse's proposed process, stating that the Human Resources Committee should review and evaluate salary range recommendations before presenting them to the full Council for approval or rejection. He emphasized that effective committee structures are essential to good governance.

Howse asked Council for their support in bringing Quendolyn into a full-time position. Quendolyn has consistently demonstrated the knowledge, reliability, and commitment needed to support the Finance Department during a period of significant transition. Making Quendolyn a full-time employee will provide the department with the stability needed to manage daily financial operations while supporting long-term organizational improvements. Her experience and familiarity with the Village's financial processes have already proven valuable, and investing in her full-time role will help ensure we can continue making meaningful progress without disruptions.

Howse respectfully asked Council for their consideration and support in approving Quendolyn's transition to a full-time position. Howse asked Council to add a legislation for the employee because she is already out of salary range since last year. Interim Finance

Director Howse explained that Village policy requires an employee to complete two years of service before becoming eligible for a salary increase, noting that Quendolyn will reach that milestone in December 2026. She said she has already factored her future salary progression into the proposed salary structure. In the meantime, Howse requested approval to change Quendolyn's position from part-time Accounts Payable to full-time Senior Accounts Payable, with the salary adjustments to be incorporated into a comprehensive salary ordinance. Mr. Montello requested that Ms. Howse would email him the details for the changes she is requesting.

Howse & Montello

Finance Director Howse requested copies of all 2026 salary ordinances, including any that created new positions or approved salary increases outside the main salary ordinance. She explained that these are needed to prepare an updated, comprehensive salary ordinance, as the current 2025 ordinance is already outdated with employees exceeding approved salary ranges. She added that the revised ordinance should be retroactive to January 1 to account for employees hired outside the existing salary ordinance.

Attorney John Montello responded that the Human Resources and Finance Committees should coordinate their work and meeting schedules to ensure Howse is prepared before the matter comes before the committees.

Special Finance/Budget meeting adjourned at 7:05PM.

10/13/2026

Approved (date)

Eloise Hardin

Council President, Eloise Hardin

10-14-2026

Posted (date)

Carol Jackson

Clerk of Council, Carol Jackson