THE VILLAGE OF OAKWOOD

FINANCE MEETING MINUTES

August 20th ,2026

ATTENDANCE

Council President- Eloise Hardin	Mayor- Erica Nikolic
Ward 1-Taunya Scruggs	Law- Brendan Heil, Asst. Law Director- John Montello
Ward 2-Yvonne Evans-Warren (5:37pm) *	Finance- Karen Howse
Ward 3-Paggie Matlock (5:50pm) *	Service- Tom Haba
Ward 4-Mary Davis	Police- John Freeman
Ward 5-Malcolm Sims Jr.	Building- Corey
	Engineer- Matt Jones

*Late Arrival

ABSENT:

Fire- David Tapp

Recreation- Karen Gaither

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1. **Meeting called to order by Hardin at 5:33PM.**
2. **Pledge of Allegiance.**
3. **Roll call.**

4. **Discuss Financial Matters and Budgets.**

The meeting was called to discuss financial matters and the 2026 budget. Finance Director Karen Howse presented a comprehensive overview of the village's financial situation, including budget amendments and compliance issues.

A. OPENING REMARKS - FINANCE DIRECTOR KAREN HOWSE

Karen Howse presented a comprehensive financial overview addressing the village's budget challenges and compliance issues.

Key Opening Points:

- The village is currently under audit for years 2022-2025
- An in-depth bank statement reconciliation was conducted (hadn't been done in years)
- Issues discovered predate the current administration
- Multi-audits happening simultaneously with State Auditor's Office
- 10-year revenue trend report to be provided

B. BUDGET STRUCTURE EXPLANATION

Cash Basis Accounting Issues:

- Village operates on cash basis (expenses recorded when paid, not when incurred)
- Late 2025 invoices being paid in 2026 inflate current year budget
- Departments exceeded appropriations due to lack of purchase orders and encumbrances
- Many expenditures occurred without proper requisitions

Example: If an invoice for 2025 services arrives in January 2026, it's recorded as a 2026 expense, even though the service was provided in 2025.

Proposed Budget Structure for 2027:

- Separate "Salaries & Wages" from "Other" categories
- Allows departments flexibility to manage budgets without exceeding totals
- Enables inter-fund transfers only upon going back to Council to get that line item amended
- Improves transparency and prevents line-item overages

C. MAYOR'S BUDGET REVIEW

Professional Dues & Fees:

- Budgeted: $2,500 | Actual Spent: $8,259

- Mayor joined professional organizations:
    - County Mayors & Managers
    - Northeast Ohio Mayors & Managers
    - Ohio Municipal League (OML)
    - National League of Cities (NLC)
- Attended Leadership Cleveland program ($3,500 with scholarship; would have been $8,500 without)
- Flight voucher from cancelled March 2025 conference: $822 (can be rolled over)
- Amendment Requested: $10,000

Conferences & Education:

- Budgeted: $2,500 | Actual: $23,000+
- Issue: $5,000 travel costs were included in the $23,000 but should have been separated
- Mayor requested reduction of $23,000 by $5,000 to $18,000
- Includes various mayor conferences and professional development

Miscellaneous Contractual Services:

- Inflated due to 2025 charges billed in 2026 (assistant fees, turkey dinner expenses)
- Should not be $12,000; includes late postings from year-end closure

Family Enrichment:

- Large portion due to turkey dinners and activities from 2025 posted in 2026
- Some 2026 funds used for 75th anniversary celebration

Total Mayor's Budget Amendment: $348,985

- Includes salary and all other expenses
- Represents $117,205 increase from what was originally budgeted, per the Mayor stated, "this includes Mayor wages and other, all of the other things"

Council Questions on Professional Dues:

- Councilperson Evans questioned whether membership benefits the community or just the mayor personally
- Recommendation: Pick and choose membership based on community benefit
- Mayor clarified: Memberships recommended by other county mayors as essential for networking and grant opportunities

D. SERVICE DEPARTMENT BUDGET

Repairs & Maintenance Equipment:

- Originally: $20,000 | Revised: $42,000
- Reason: Street repairs and equipment maintenance exceeded budget
- Already spent: $34,000 year-to-date
- Needed adjustment to get through rest of year

Wages:

- Reflect 3% increase as approved
- Professional dues: $50 (Ohio Service Director's Association)
- Class A CDL certification and physical requirements for staff

Cell Phone Billing Issue:

- All village phones on Verizon with special government rate
- Bill broken down by cost center (Fire, Police, Recreation, Mayor, Service, etc.)
- Karen Howse to be made primary officer for Verizon account
- Issue: Some departments billed separately; needs consolidation

E. POLICE DEPARTMENT BUDGET

Professional Dues:

- SEAL (Special Enforcement and Assistance League): $28,000 annually
    - Must budget maximum amount; SEAL may refund portion
    - Has been budgeted at $28,000 for 13 years
- Ohio Chief of Police Association
- International Association of Chiefs of Police

- Small Departments Association
- These associations provide grants and training opportunities

Repairs & Maintenance:

- Originally: $85,000 | Approved: $60,000 | Requested: ~$70,000
- Some vehicles replaced; costs should decrease

Overtime:

- Already used: $19,460 hours in 2026
- 2025 spent: $32,545
- Reason: Department understaffed by 2 officers
- Cannot maintain adequate police presence without overtime

Staffing Issues:

- Currently down 2 full-time officers
- Authorized: 14 full-time officers and up to 15 part-time officers (per 2023 ordinance)
- In 2021, converted 2 auxiliary positions to full-time (due to COVID staffing challenges)
- Some hired officers have left; positions remain unfilled

Call Logs:

- Councilperson Evans requested monthly call logs showing:
    - Number of calls received per day
    - Breakdown by shift (day/night)
    - Helps analyze staffing needs
- Police used to provide this; need to resume

Chief's Vacation Status:

- Chief currently on vacation (not included in the "down 2" count)

CitizenServe Software Proposal:

- Building Department (Rodney) proposes switch from I-Work to CitizenServe

- County offering $10,000 grant to offset initial cost
- Benefits: Better reporting, current building code updates, user-friendly
- Finance Director supports and can fund through budget adjustments

F. OVERALL BUDGET SUMMARY

General Fund:

- Current 2026 budget (Ordinance 2026-23): $16 million
- Requested 2026 budget: $15.1 million (actually LESS than approved)
- Year-to-date expenditures (as of August 14): $6.2 million (about 50%)
- Requested general fund: $11.2 million

Key Point: Council was confused about whether departments needed additional $7 million. Finance Director clarified:

- Year-to-date expenditures only show what's been spent through August
- Budget is for entire year
- Departments are trending on target
- Some departments over, some under

Special Revenue Funds:

- Restricted for particular use (e.g., CMR fund only for roads/streets/maintenance)
- Cannot be used for other purposes

Solvency Status:

- Village is solvent but not a large community
- Average monthly collections: $1-2 million
- Some funding held in reserve due to potential callbacks
- 10-year revenue trend to be presented

Bond Obligations:

- One bond payment already made in June 2026
- Another due next year

- Must always be budgeted; cannot default

G. FINANCIAL CONTROLS & GUARDRAILS

New Workflow Implemented (Started July):

1. Department submits requisition
2. Mayor approves first
3. Finance Director approves second
4. PO generated only after approval
5. Email notifications sent when approved

Key Points:

- Requisition ≠ Approval (only approved when PO is generated)
- Emergency purchases must be justified
- Invoices over $3,000-$5,000 without PO require council approval

Staffing Changes:

- Quendolyn promoted to full-time finance position
- Finance department understaffed; need daily checks and balances
- Nikki from Police Department helping Finance with document sorting and posting
- Indicates understaffing issues across departments

Training & Education:

- Department heads receiving training on proper procedures
- Saturday session scheduled with department heads on budget preparation
- Goal: 2027 budget will be more transparent and user-friendly

Compliance Issues:

- Salary ordinances out of compliance
- Multiple employees exceed salary wage ordinance
- Fire Department over salary last year and this year
- Finance Department over last year and years before

- Out of compliance for multiple years
- Council cited for this issue by auditors

Salary Range Problems:

- Salary ranges not properly maintained (e.g., "$20 to $20.25" is not a range)
- When 3% raise given, top of range increased by 3%, creating inadequate ranges
- Finance Director working on proper salary range structure

H. FINANCIAL REPORTING

Why Reports Are Not Yet Available:

- Books higher than bank (reconciliation issues)
- Auto-pay weaknesses discovered
- Some auto-pays not recognized in past
- Intentionally canceling things to identify discrepancies
- Posting from 2022 forward with auditor assessments

Future Reporting:

- Financial reports coming soon
- More transparency expected
- Detailed breakdown of revenue and expenditures

I. TIPS (TRANSPORTATION IMPROVEMENT PROGRAM) DISCUSSION

TIPS Funding Rules:

- Cannot use for private entities
- Can be used for community activity enhancements
- Depends on type of TIP agreement
- State law changes affecting TIPS meetings
- Cannot discuss wages publicly in TIPS meetings

The meeting emphasized the need for better financial controls, transparency, and compliance going forward, with the finance team working to correct systemic issues while maintaining village operations.

Motion to adjourn finance meeting made by Evans-Warren and seconded by Sims.

Vote YES: Scruggs, Evans-Warren, Matlock, Davis, Sims. Meeting adjourned at 7:35PM.

Nov 10, 2026
Approved (Date)

Eloise Hardin
Council President, Eloise Hardin

Nov 12, 2026
Posted (Date)

Carol Jackson
Clerk of Council, Carol Jackson