

FINANCE COMMITTEE MEETING MINUTES

Centerville Municipal Building
Kingseed Law Library
August 18, 2022

In attendance were Committee members:

John Palcher (Chair)- Councilmember
Bill Serr- Councilmember
Duke Lunsford- Councilmember

Also in attendance were Mayor Brooks Compton, City Manager Wayne Davis, Assistant City Manager Mariah Vogelgesang, Finance Director Tyler Roark, and Tax Superintendent Emily Bair.

No committee members were absent from the meeting.

At 9.05 AM, John Palcher called the meeting to order.

A motion was made to approve the minutes of the May 31, 2022 meeting. Motioned by Councilmember Bill Serr and seconded by Councilmember Duke Lunsford. Motion was passed 3-0.

Mr. Roark gave an update on the American Rescue Plan Act (ARPA) funds. The City has received the second and final round of ARPA funds as of July 2022. Mr. Roark advised the selection for utilizing the \$10 million standard allowance for Revenue Replacement was made by the initial reporting deadline. The accounting entry will be made before the end of this year to exhaust all the funds. Mr. Roark also advised the closeout report is due in April 2023.

Mr. Roark gave the committee and those present an update on the 2021 financial audit. Mr. Roark advised the 2021 Basic Financial Statements (BFS) were submitted to the Auditor of State (AOS) without an extension this year. The City received a clean opinion from their independent auditors, Plattenburg. The Auditor of State's office has reviewed the Plattenburg's opinion and completed their desk review. This is the City's last year of the 5-year contract with Plattenburg. Mr. Roark and Mr. Davis made the recommendation to the committee that the City remain with Plattenburg for an additional five years. The committee expressed their support and Mr. Roark advised that the Finance Department will reach out to the Auditor of State's office regarding next steps.

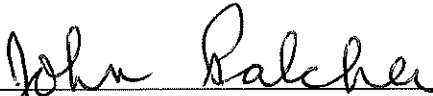
Mr. Roark presented the quarter two report for 2022. The City remained very stable and in a secure financial position. Income tax withholding continued to increase from the prior years. Mr. Roark and Ms. Bair provided clarification on the state law that repealed Section 29 of House Bill 197. The statute requires employers to begin withholding income tax to an employee's home location if they are working remotely. Employees that worked remotely throughout 2021 are able to file for refunds for days that were worked outside of the City. Through June, the City has not seen a large amount of refund requests due to working from home. Mr. Roark advised that golf revenues are down for the quarter but overall still ahead of other previous seasons through the same period. Mr. Roark advised that June was a strong month historically for number of rounds and early reports from Yankee Trace indicate July was another record month. Yankee Trace formally bid out the new set of golf carts this past winter and City Council

awarded the bid to Century Equipment in March. Mr. Roark advised that there is currently a 12-month lead time, so the carts will be delivered ahead of the 2023 golf season with a small change to the Shark experience. Mr. Roark advised that since the City was able to bid before early March, there was no experience with supply chain issues. Food service at the golf course saw an increase in revenue for the quarter. Comparing to 2021 levels, food sales increased 48.72%, alcoholic beverage sales increased 7.21% and banquet room rental increased 96.41%. Staffing issues are still being addressed within the department. Mr. Roark advised overall the Golf Course remains well positioned to support necessary capital investments over the next few years. Mr. Roark gave an update on the Waste Collection Fund. Mr. Roark advised that both revenues and expenses were up for the quarter. We attribute the increase in expenses to staffing, fuel and landfill costs. At the end of quarter two, the cash balance was \$1.37 million. A cost-of-service and rate study was presented at a previous Finance Committee meeting and has also been brought to two Council work sessions for discussion. A rate increase of \$6 per month was approved by City Council in July. The rate increase will go into effect January 1, 2023.

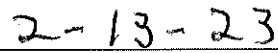
Mr. Roark gave a preview of the 2023-2027 Budget Process. Similarly to years past budget packets have been distributed to Department Heads. Mr. Roark advised that meetings will begin in September and October with the Budget Work Session in November and legislation in December.

At 10:40 AM, Councilman John Palcher adjourned the meeting.

The next meeting will be scheduled at a later date in the Kingseed Law Library.



Approved – Chairperson



Date