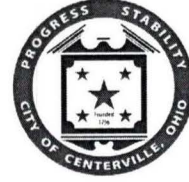


City of Centerville
Finance Committee Minutes
July 26, 2019, 9AM
MB Kingseed Law Library



Council Members Present:

John E. Palcher, Chairman
John J. Beals
Willis O. Serr

Management Present:

Mariah Vogelgesang, Assistant City Manager
Tyler Roark, Finance Director
Jenna Whipp, Assistant Finance Director
Emily Bair, Tax Superintendent

I. Call to Order

Meeting called to order at 9:00 AM by John Palcher, Committee Chairman.

II. Overview of Draft Financial Reports

Tyler Roark presented an overview of the 2019 May YTD financial statements. As of May 31, 2019, the City had approximately \$37.3 million in cash and investments. Total cash and investments consisted of agency securities held by UBS of approximately \$10.4 million, certificates of deposits held by Fifth Third of approximately \$12.7 million and cash and money market funds held by US Bank and STAR Ohio of approximately \$14.2 million. Investment income was approximately \$299,000 through May 31, 2019.

Roark discussed the increasing cash fund balances for all City funds. The general fund balance has increased from \$10.5 million in May 2015 to \$24.2 million in May 2019. The growth is largely due to the 0.5% income tax rate increase approved by voters in the fall of 2016. The City also received a large one-time tax payment from an individual in April 2019 that resulted in higher than normal tax revenue for 2019 year. The Committee discussed the increasing fund balances and asked relevant questions of management.

Roark then reviewed budget expenses by fund. The general fund expenses through May 31, 2019 were approximately 40.32% of the total 2019 revised budget, which is on track. Some large expenses incurred in 2019 included a \$125,000 payment to the insurance operating fund and loss fund contribution to MVRMA in January 2019. In addition, an \$80,500 payment was made to the Bureau of Workers Compensation for the 2019 workers compensation premium. See the additional large expenditures through May 2019 in the handouts.

Roark reviewed the May 2019 YTD results for the golf course operations fund. The golf pro shop revenue was 23.95% higher through May 2019 as compared to the same period in 2018. Greens fees, golf cart rentals and golf lessons all contributed to the increase. In addition, the golf simulators, which are new in 2019, had revenue of approximately \$43,800 through May 2019. The pro shop had net profit of \$122,700 through May 2019 as compared to the previous four years which averaged a loss of \$155,800 through May 2015-2018. 2019 is the second year consecutive year of not having to make rent payments (\$68,000 per month) due to the Yankee Trace debt being retired. The Yankee Trace food

service revenue increased approximately \$7,000 through May 31, 2019 compared to the prior year. Food service expenses were higher through May 2019 when compared to prior year due to timing of some food purchases.

Roark reviewed the May 2019 YTD results for the waste collection fund. Waste collection revenue through May 2019 was \$600,200, or 43.27% of the 2019 Revised Budget of \$1.39 million. Revenue has been consistent over the last five years with a total growth rate of 1.27% due to trash rates remaining constant since 2006. Waste collection expenses of \$561,000 were 36.74% of the year-to-date budget of \$1.53 million and 6.18% more than the same period in 2017.

Overall, total spending through May 2019 was 31.57% of the total revised budget. There are three funds that will need appropriation increases at the August 19, 2019 Supplemental Appropriation due to not having sufficient amounts included in the 2019 Adopted Budget. Those amendments include the Cornerstone TIF Fire/EMS Fund (450), the TIF MVHS Capital Projects Fund (460) and the Special Assessment Improvement Fund (480). The Committee discussed the May 2019 results and asked relevant questions of management.

III. Enterprise Resource Planning (ERP) Update

Roark provided an overview of the implementation of each of the four phases of ERP: Financials, EnerGov, Human Capital Management and Utility Billing. Financials went live on 1/2/19 and the Finance department is continually learning how to utilize more functionality of the software. EnerGov went live on 4/15/19 and various members of management are working through post go-live issues with our designated Tyler Technologies team. Citizen self-service, which is an online portal that will allow City customers to pay permits and view their account online, is expected to go live in the next month. Human Capital Management has two components, payroll and human resources. Payroll implementation is on-track and expected to go live on 10/1/19. Human resources will be built after payroll goes live. Utility Billing is the last phase of ERP and has a tentative go-live date of 4/1/20. The Committee discussed the ERP implementation and asked relevant questions of management.

IV. Comprehensive Annual Financial Report (CAFR)

Roark provided the Committee with an overview of the status of the Comprehensive Annual Financial Report (CAFR) for 2018. The 2018 CAFR is being completed by D J Schonhardt & Associates and the Annual Financial Statements will be filed with the Auditor of State on 7/29/19 via the Hinkle System.

V. Audit Status

Roark noted that once the Annual Financial Statements are filed with the Auditor of State via the Hinkle System, Plattenburg will be onsite from 8/5/19 - 8/6/19 to complete the 2018 audit of the financial statements. The City will then file the CAFR with the Government Finance Officers Association (GFOA) by 9/2/19.

VI. 2020 Budget Calendar

Roark noted that 2020 budget will begin in the next week, with budget packets going out to each department. Departments will have a month to complete 2020 budget projections and requests.

VII. Old and New Business

The next Committee meeting will be scheduled for September 2019.

VIII. Adjourn

The meeting was adjourned at 10:50 AM