

## FINANCE COMMITTEE MEETING MINUTES

Centerville Municipal Building  
Kingseed Law Library  
February 13, 2023

In attendance were Committee members:

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

Also in attendance were City Manager Wayne Davis, Assistant City Manager Mariah Vogelgesang, Finance Director Tyler Roark, Assistant Finance Director Miranda Piatt, Tax Superintendent Emily Bair and Joe Violand, Portfolio Manager from RedTree Investment Group.

No committee members were absent from the meeting.

At 2:08 PM, John Palcher called the meeting to order.

A motion was made to approve the minutes of the August 18, 2022 meeting. Motioned by Councilmember Bill Serr and seconded by Councilmember Duke Lunsford. Motion was passed 3-0.


Mr. Violand gave the committee an overview of the firm, experience and relationship with the City which began in February 2021. He went on to advise the allowable permitted investments according to the Ohio Revised Code (ORC) and the City's investment policy that was last updated in January 2021. The permitted investments Mr. Violand described were Local Bank Products, Certificates of Deposit, STAR Ohio, US Treasury Securities, US Government Agency Securities, Municipal Bonds and Commercial Paper. He also gave an economic update stating that inflation was down to 6.5% in December from 9.1% that was reported in June 2022. He advised that the Federal Reserve wants to keep inflation at 2% and new data will be available tomorrow, February 14<sup>th</sup>. Regarding the job market, Mr. Violand advised that there are currently 11 million jobs open (1.1 to 1.2 million of which have been added in the last few months) with 7 million people looking for employment. The current unemployment rate is 3.4%. He advised also advised that they are keeping their eyes open for data on a possible recession this year. Looking at interest rates, Mr. Violand stated that interest rates are the highest they have been in over a decade. Rates remain elevated and a correction had been made in the early stages following recent economic data. Short-term rates (STAR Ohio and 6-Month Treasury) continue to mirror Fed movements while long-term rates (2-Year Treasury, 5-Year Treasury and 10-Year Treasury) are driven by future expectations, economic growth and inflation. Mr. Violand gave an update on the City's portfolio as of January 31, 2023. The portfolio focus has shifted from maintaining additional liquidity to locking in rates for the portfolio. The portfolio yield has increased from 1.10% to 2.47% over the past six months. He also advised that the portfolio has several maturities over the coming months that are expected to be reinvested at higher rates. Mr. Violand closed noting that while interest rates are changing at an unprecedented rate, communication is key to ensure the best investment strategy for the City.

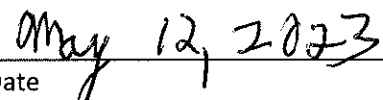
Mr. Roark presented the financial report for 2022. The City remained very stable and in a secure financial position. Similarly to 2020, the General Fund balance as a percent of annual expenditures was over 100% (104.54% unencumbered cash). There will be a transfer of \$1.15 million to the Economic Budget Stabilization Fund sometime in 2023. Income tax collections increased \$2.89 million or 12.89% over 2021 levels. Ms. Bair stated for tax year 2021, the City issued 22 refunds totaling \$20k to non-resident employees that worked from home. She advised that she does not expect many for tax year 2022. Ms. Bair also advised that in 2022 the City added 562 new withholding accounts and 76 thus far in 2023. Many of these accounts have been setup for employees residing in Centerville that are now working from home. She closed by stating that the Ohio Supreme Court will be hearing oral arguments on March 1<sup>st</sup> regarding work from home refunds for tax year 2020. The City has only received 2 work from home refund requests for 2020. Mr. Roark gave a recap on the General Fund spending, advising that 83.41% (90% target) of the 2022 revised budget (with encumbrances) was spent. This was due to projects not moving forward, appropriation increases and reductions at year end. Mr. Roark advised that golf revenues saw a minimal increase from 2021 with greens fees, merchandise sales and simulator fees all being contributors to the financial success. While revenues increased from 2020 and 2021 levels, rounds of golf played were slightly lower in 2022 than prior years. Food Service revenue increased \$256k or 27.57% from 2021 with food sales, alcoholic beverages and banquet service charges all being contributors. On the expenditure side, personnel and benefit costs increased due to the successful Incentive Pay Program and staffing additions. Overall the Golf Course Fund spending finished at 94.04% of the 2022 revised budget (with encumbrances). Mr. Roark gave an update on the Waste Collection Fund. Mr. Roark advised that revenues saw a slight decrease while expenses were up for the year. We attribute the increase in expenses to staffing, fuel and landfill costs. The new rate increase that passed in July 2022 will bring in \$450k annually. At the end of 2022, the cash balance was \$1.20 million.

Ms. Piatt gave a preview on the City's 2022 financial audit. She stated that in October of 2022, the Auditor of State's (AOS) office approved the extension request with Plattenburg. This contract will take the City through the fiscal year 2026 financial audit. She advised at that time, AOS will come in to conduct the audit or the City will need to go through the process to competitively bid the service. Plattenburg will be on-site the week of April 17<sup>th</sup>. Ms. Piatt advised that the City's basic financial statements (BFS) will be filed by May 31<sup>st</sup> and the audit will be completed by June 30<sup>th</sup>. Similarly to years past, the City plans to submit for the Government Finance Officers Association (GFOA) awards. The City will have a single audit for fiscal year 2022 due to the amount of American Rescue Plan Act (ARPA) funds that was expended during last year.

At 3:36 PM, Councilman John Palcher adjourned the meeting.

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

  
Approved – Chairperson

  
Date